



**RURAL ELECTRIFICATION AND RENEWABLE ENERGY CORPORATION**

**KENYA OFF-GRID SOLAR ACCESS PROJECT  
FOR UNDERSERVED COUNTIES  
(KOSAP)  
Volume I (Part 1 & 3)**

**REQUEST FOR BIDS FOR  
Design, Supply, Installation and Commissioning of Solar Photovoltaic  
Generation Plants with Associated Power Distribution Network (Mini-  
Grids) in Turkana, Marsabit, Samburu & Isiolo Counties in Kenya with 7  
Years Operations and Maintenance (O&M) Services**

**RFB: KE-REA-373014-CW-RFB**

**Credit No. 6135: Project ID No P160009**

Volume I (Part 1 & 3): Bidding Procedures and Conditions of Contract and Contract

Volume II (Part 2): Employer's Requirements, Technical Specifications and Drawings

Volume III: Schedule of Rates and Prices

Volume IV: Technical Specifications Documents

**AUGUST 2023**

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# **PART 1 – Bidding Procedures**

## Section I - Instructions to Bidders

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## Section I - Instructions to Bidders

### A. General

1. **Scope of Bid**
  - 1.1 In connection with the Specific Procurement Notice - Request for Bids (RFB), specified in the Bid Data Sheet (BDS), the Employer, as specified **in the BDS**, issues this bidding document for the Design, Supply and Installation of Plant as specified in Section VII, Employer's Requirements. The name, identification and number of lots (contracts) of this RFB are specified **in the BDS**.
  - 1.2 Throughout this bidding document:
    - (a) the term "in writing" means communicated in written form (e.g. by mail, e-mail, fax, including if specified in the BDS, distributed or received through the electronic-procurement system used by the Employer) with proof of receipt;
    - (b) if the context so requires, "singular" means "plural" and vice versa;
    - (c) "Day" means calendar day, unless otherwise specified as "Business Day." A Business Day is any day that is an official working day of the Borrower. It excludes the Borrower's official public holidays;
    - (d) "ES" means environmental and social (including Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH));
    - (e) "Sexual Exploitation and Abuse" "(SEA)" means the following:
      - 1.1.1 Sexual Exploitation is defined as any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.
      - 1.1.2 Sexual Abuse is defined as the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.
        - (f) "Sexual Harassment" "(SH)" is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature by the Contractor's Personnel with other Contractor's or Employer's Personnel.
        - (g) "Contractor's Personnel" is as defined in GCC Sub-Clause 1; and
        - (h) "Employer's Personnel" is as defined in GCC Sub-Clause 1.
2. **Source of Funds**
  - 2.1 The Borrower or Recipient (hereinafter called "Borrower") indicated **in the BDS** has applied for or received financing (hereinafter called "funds") from the World Bank (hereinafter called "the Bank") in an amount specified **in BDS**, toward the project named **in BDS**. The Borrower intends to apply a portion of the funds to eligible payments

under the contract(s) for which this bidding document is issued.

2.2 Payment by the Bank will be made only at the request of the Borrower and upon approval by the Bank in accordance with the terms and conditions of the Loan (or other financing) Agreement. The Loan (or other financing) Agreement prohibits a withdrawal from the loan account for the purpose of any payment to persons or entities, or for any import of goods, equipment, plant, or materials, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than the Borrower shall derive any rights from the Loan (or other financing) Agreement or have any claim to the proceeds of the Loan (or other financing).

**3. Fraud and Corruption**

3.1 The Bank requires compliance with the Bank’s Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the WBG’s Sanctions Framework, as set forth in Section VI.

3.2 In further pursuance of this policy, bidders shall permit and shall cause their agents (where declared or not), subcontractors, subconsultants, service providers, suppliers, and personnel, to permit the Bank to inspect all accounts, records and other documents relating to any initial selection process, prequalification process, bid submission, proposal submission and contract performance (in the case of award), and to have them audited by auditors appointed by the Bank.

**4. Eligible Bidders**

4.1 A Bidder may be a firm that is a private entity, a state-owned enterprise or institution subject to ITB 4.6, or any combination of such entities in the form of a joint venture (JV) under an existing agreement or with the intent to enter into such an agreement supported by a letter of intent. In the case of a joint venture, all members shall be jointly and severally liable for the execution of the entire Contract in accordance with the Contract terms. The JV shall nominate a Representative who shall have the authority to conduct all business for and on behalf of any and all the members of the JV during the Bidding process and, in the event the JV is awarded the Contract, during contract execution. Unless specified **in the BDS**, there is no limit on the number of members in a JV.

- 4.2 A Bidder shall not have a conflict of interest. Any Bidder found to have a conflict of interest shall be disqualified. A Bidder may be considered to have a conflict of interest for the purpose of this Bidding process, if the Bidder:
- (a) directly or indirectly controls, is controlled by or is under common control with another Bidder; or
  - (b) receives or has received any direct or indirect subsidy from another Bidder; or
  - (c) has the same legal representative as another Bidder; or
  - (d) has a relationship with another Bidder, directly or through common third parties, that puts it in a position to influence the Bid of another Bidder, or influence the decisions of the Employer regarding this Bidding process; or
  - (e) or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the Plant and Installation Services that are the subject of the Bid; or
  - (f) or any of its affiliates has been hired (or is proposed to be hired) by the Employer or Borrower as Project Manager for the Contract implementation; or
  - (g) would be providing goods, works, or non-consulting services resulting from or directly related to consulting services for the preparation or implementation of the project specified in the BDS ITB 2.1 that it provided or were provided by any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm; or
  - (h) has a close business or family relationship with a professional staff of the Borrower (or of the project implementing agency, or of a recipient of a part of the loan) who: (i) are directly or indirectly involved in the preparation of the bidding document or specifications of the Contract, and/or the Bid evaluation process of such Contract; or (ii) would be involved in the implementation or supervision of such contract unless the conflict stemming from such relationship has been resolved in a manner acceptable to the Bank throughout the Bidding process and execution of the Contract.
- 4.3 A firm that is a Bidder (either individually or as a JV member) shall not participate as a Bidder or as JV member in more than one Bid except for permitted alternative Bids. Such participation shall result in the disqualification of all Bids in which the firm is involved. However, this does not limit the participation of a Bidder as subcontractor in another Bid or of a firm as a subcontractor in more than one Bid.
- 4.4 A Bidder may have the nationality of any country, subject to the restrictions pursuant to ITB 4.8. A Bidder shall be deemed to have the nationality of a country if the Bidder is constituted, incorporated or registered in and operates in conformity with the provisions of the laws of that country, as evidenced by its articles of incorporation (or equivalent



- documents of constitution or association) and its registration documents, as the case may be. This criterion also shall apply to the determination of the nationality of proposed subcontractors or subconsultants for any part of the Contract including related Services.
- 4.5 A Bidder that has been sanctioned by the Bank, pursuant to the Bank’s Anti-Corruption Guidelines, in accordance with its prevailing sanctions policies and procedures as set forth in the WBG’s Sanctions Framework as described in Section VI paragraph 2.2 d., shall be ineligible to be prequalified for, initially selected for, bid for, propose for, or be awarded a Bank-financed contract or benefit from a Bank-financed contract, financially or otherwise, during such period of time as the Bank shall have determined. The list of debarred firms and individuals is available at the electronic address specified in the BDS.
- 4.6 Bidders that are state-owned enterprises or institutions in the Employer’s Country may be eligible to compete and be awarded a Contract(s) only if they can establish, in a manner acceptable to the Bank, that they (i) are legally and financially autonomous (ii) operate under commercial law, and (iii) are not under supervision of the Employer.
- 4.7 A Bidder shall not be under suspension from Bidding by the Employer as the result of the operation of a Bid-Securing Declaration or Proposal-Securing Declaration.
- 4.8 Firms and individuals may be ineligible if so indicated in Section V and (a) as a matter of law or official regulations, the Borrower’s country prohibits commercial relations with that country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of goods or the contracting of works or services required; or (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower’s country prohibits any import of goods or contracting of works or services from that country, or any payments to any country, person, or entity in that country. Where the procurement is implemented across jurisdictional boundaries (and more than one country is a Borrower, and is involved in the procurement), then exclusion of a firm or individual on the basis of ITB 4.8 (a) above by any country may be applied to that procurement across other countries involved, if the Bank and the Borrowers involved in the procurement agree.

- 4.9 A Bidder shall provide such documentary evidence of eligibility satisfactory to the Employer, as the Employer shall reasonably request.
- 4.10 A firm that is under a sanction of debarment by the Borrower from being awarded a contract is eligible to participate in this procurement, unless the Bank, at the Borrower's request, is satisfied that the debarment; (a) relates to fraud or corruption, and (b) followed a judicial or administrative proceeding that afforded the firm adequate due process.
- 5. Eligible Plant and Installation Services**
- 5.1 The Plant and Installation Services to be supplied under the Contract and financed by the Bank may have their origin in any country in accordance with Section V, Eligible Countries.
- 5.2 For purposes of ITB 5.1 above, "origin" means the place where the Plant, or component parts thereof are mined, grown, produced or manufactured, and from which the services are provided. Plant components are produced when, through manufacturing, processing, or substantial or major assembling of components, a commercially recognized product results that is substantially different in its basic characteristics or in purpose or utility from its components.

## **B. Contents of Bidding Document**

- 6. Sections of Bidding Document**
- 6.1 The bidding document consists of Parts 1, 2, and 3, which include all the sections indicated below, and should be read in conjunction with any Addenda issued in accordance with ITB 8.

### **PART 1. Bidding Procedures**

- Section I - Instructions to Bidders (ITB)
- Section II - Bid Data Sheet (BDS)
- Section III - Evaluation and Qualification Criteria
- Section IV - Bidding Forms
- Section V - Eligible Countries
- Section VI - Fraud and Corruption

### **PART 2. Employer's Requirements**

- Section VII -Employer's Requirements

### **PART 3. Conditions of Contract and Contract Forms**

- Section VIII - General Conditions of Contract (GCC)
- Section IX -Particular Conditions of Contract (PCC)
- Section X -Contract Forms

- 6.2 The Specific Procurement Notice-Request for Bids (RFB) issued by the Employer is not part of the bidding document.

- 6.3 Unless obtained directly from the Employer, the Employer is not responsible for the completeness of the document, responses to requests for clarification, the Minutes of the pre-Bid meeting (if any), or Addenda to the bidding document in accordance with ITB 8. In case of any contradiction, documents obtained directly from the Employer shall prevail.
- 6.4 The Bidder is expected to examine all instructions, forms, terms, and specifications in the bidding document and to furnish with its Bid all information or documentation as is required by the bidding document.
7. **Clarification of Bidding Document, Site Visit, Pre-Bid Meeting**
- 7.1 A Bidder requiring any clarification of the bidding document shall contact the Employer in writing at the Employer’s address indicated **in the BDS** or raise his enquiries during the pre-Bid meeting if provided for in accordance with ITB 7.4. The Employer will respond in writing to any request for clarification, provided that such request is received prior to the deadline for submission of Bids within a period specified **in the BDS**. The Employer shall forward copies of its response to all Bidders who have acquired the bidding document in accordance with ITB 6.3, including a description of the inquiry but without identifying its source. If so specified **in the BDS**, the Employer shall also promptly publish its response at the web page identified **in the BDS**. Should the clarification result in changes to the essential elements of the bidding document, the Employer shall amend the bidding document following the procedure under ITB 8 and ITB 23.2.
- 7.2 The Bidder is advised to visit and examine the site where the Plant is to be installed and its surroundings and obtain for itself on its own responsibility all information that may be necessary for preparing the Bid and entering into a Contract for the provision of Plant and Installation Services. The costs of visiting the site shall be at the Bidder’s own expense.
- 7.3 The Bidder and any of its personnel or agents will be granted permission by the Employer to enter upon its premises and lands for the purpose of such visit, but only upon the express condition that the Bidder, its personnel, and agents will release and indemnify the Employer and its personnel and agents from and against all liability in respect thereof, and will be responsible for death or personal injury, loss of or damage to property, and any other loss, damage, costs, and expenses incurred as a result of the inspection.

- 7.4 If so specified **in the BDS**, the Bidder's designated representative is invited to attend a pre-Bid meeting and/or a site visit. The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.
- 7.5 The Bidder is requested to submit any questions in writing, to reach the Employer not later than one week before the meeting.
- 7.6 Minutes of the pre-Bid meeting, including the text of the questions raised without identifying the source, and the responses given, together with any responses prepared after the meeting, will be transmitted promptly to all Bidders who have acquired the bidding document in accordance with ITB 6.3. If so specified **in the BDS**, the Employer shall also promptly publish the Minutes of the pre-Bid meeting at the web page identified **in the BDS**. Any modification to the bidding document that may become necessary as a result of the pre-Bid meeting shall be made by the Employer exclusively through the issue of an Addendum pursuant to ITB 8 and not through the minutes of the pre-Bid meeting. Nonattendance at the pre-Bid meeting will not be a cause for disqualification of a Bidder.
- 8. Amendment of Bidding Document**
- 8.1 At any time prior to the deadline for submission of Bids, the Employer may amend the bidding document by issuing addenda.
- 8.2 Any addendum issued shall be part of the bidding document and shall be communicated in writing to all who have obtained the bidding document from the Employer in accordance with ITB 6.3. The Employer shall also promptly publish the addendum on the Employer's web page in accordance with ITB 7.1.
- 8.3 To give prospective Bidders reasonable time in which to take an addendum into account in preparing their Bids, the Employer may, at its discretion, extend the deadline for the submission of bids, pursuant to ITB 23.2.
- C. Preparation of Bids**
- 9. Cost of Bidding**
- 9.1 The Bidder shall bear all costs associated with the preparation and submission of its Bid, and the Employer shall not be responsible or liable for those costs, regardless of the conduct or outcome of the Bidding process.
- 10. Language of Bid**
- 10.1 The Bid, as well as all correspondence and documents relating to the Bid exchanged by the Bidder and the

Employer, shall be written in the language specified in the **BDS**. Supporting documents and printed literature that are part of the Bid may be in another language provided they are accompanied by an accurate translation of the relevant passages in the language specified in the **BDS**, in which case, for purposes of interpretation of the Bid, such translation shall govern.

**11. Documents  
Comprising the  
Bid**

- 11.1 The Bid shall comprise the following:
- (a) **Letter of Bid** prepared in accordance with ITB12.1;
  - (b) **Price Schedules** completed in accordance with ITB 12 and ITB 17;
  - (c) **Bid Security or Bid Securing Declaration**, in accordance with ITB 20;
  - (d) **Alternative Bid**, if permissible, in accordance with ITB 13;
  - (e) **Authorization**: written confirmation authorizing the signatory of the Bid to commit the Bidder, in accordance with ITB 21.3;
  - (f) **Eligibility of Plant and Installation Services**: documentary evidence established in accordance with ITB 14.1 that the Plant and Installation Services offered by the Bidder in its Bid or in any alternative Bid, if permitted, are eligible;
  - (g) **Bidder’s Eligibility and Qualifications**: documentary evidence in accordance with ITB 15.1 establishing the Bidder’s eligibility and qualifications to perform the Contract if its Bid is accepted;
  - (h) **Conformity**: documentary evidence in accordance to ITB 16that the Plant and Installation Services offered by the Bidder conform to the bidding document;
  - (i) **Subcontractors**: list of subcontractors in accordance with ITB 16.2; and
  - (j) any other document required in the **BDS**.
- 11.2 In addition to the requirements under ITB 11.1, Bids submitted by a JV shall include a copy of the Joint Venture Agreement entered into by all members. Alternatively, a letter of intent to execute a Joint Venture Agreement in the event of a successful Bid shall be signed by all members and submitted with the Bid, together with a copy of the proposed Agreement.
- 11.3 The Bidder shall furnish in the Letter of Bid information on commissions and gratuities, if any, paid or to be paid to agents or any other party relating to this Bid

12. **Letter of Bid and Price Schedules** 12.1 The Letter of Bid and Price Schedules shall be prepared, using the relevant forms furnished in Section IV, Bidding Forms. The forms must be completed as instructed in each form without any alterations to the text, and no substitutes shall be accepted except as provided under ITB 21.3. All blank spaces shall be filled in with the information requested.
13. **Alternative Bids** 13.1 Unless otherwise specified **in the BDS**, alternative Bids shall not be considered.
- 13.2 When alternatives to the Time Schedule are explicitly invited, a statement to that effect will be included **in the BDS**, and the method of evaluating different time schedules will be described in Section III, Evaluation and Qualification Criteria.
- 13.3 Except as provided under ITB 13.4 below, Bidders wishing to offer technical alternatives to the Employer’s requirements as described in the bidding document must also provide: (i) a price at which they are prepared to offer a Plant meeting the Employer’s requirements; and (ii) all information necessary for a complete evaluation of the alternatives by the Employer, including drawings, design calculations, technical specifications, breakdown of prices, and proposed installation methodology and other relevant details. Only the technical alternatives, if any, of the Bidder with the Most Advantageous Bid conforming to the basic technical requirements shall be considered by the Employer.
- 13.4 When Bidders are invited **in the BDS** to submit alternative technical solutions for specified parts of the facilities, such parts will be identified **in the BDS**, as will the method for their evaluation, and described in Section VII, Employer’s Requirements.
14. **Documents Establishing the Eligibility of the Plant and Installation Services** 14.1 To establish the eligibility of the Plant and Installation Services in accordance with ITB 5, Bidders shall complete the country of origin declarations in the Price Schedule Forms, included in Section IV, Bidding Forms.
15. **Documents Establishing the Eligibility and** 15.1 To establish its eligibility and qualifications to perform the Contract in accordance with Section III, Evaluation and Qualification Criteria, the Bidder shall provide the

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| <b>Qualifications of the Bidder</b>   |      | information requested in the corresponding information sheets included in Section IV, Bidding Forms.  |
| <b>16. Documents Establishing the Conformity of the Plant and Installation Services</b> | 16.1 | The Bidder shall furnish the information stipulated in Section IV, Bidding Forms in sufficient detail to demonstrate substantial responsiveness of the Bidders' proposal to the work requirements and the completion time.  |
|   | 16.2 | For major items of Plant and Installation Services as listed by the Employer in Section III, Evaluation and Qualification Criteria, which the Bidder intends to purchase or subcontract, the Bidder shall give details of the name and nationality of the proposed Subcontractors, including manufacturers, for each of those items. In addition, the Bidder shall include in its Bid information establishing compliance with the requirements specified by the Employer for these items. Quoted rates and prices will be deemed to apply to whichever Subcontractor is appointed, and no adjustment of the rates and prices will be permitted.  |
|   | 16.3 | The Bidder shall be responsible for ensuring that any Subcontractor proposed complies with the requirements of ITB 4, and that any Plant, or services to be provided by the Subcontractor comply with the requirements of ITB 5 and ITB 16.1.   |
| <b>17. Bid Prices and Discounts</b>   | 17.1 | Unless otherwise specified <b>in the BDS</b> , Bidders shall quote for the entire Plant and Installation Services on a "single responsibility" basis. The total Bid price shall include all the Contractor's obligations mentioned in or to be reasonably inferred from the bidding document in respect of the design, manufacture, including procurement and subcontracting (if any), delivery, construction, installation and completion of the Plant. This includes all requirements under the Contractor's responsibilities for testing, pre-commissioning and commissioning of the Plant and, where so required by the bidding document, the acquisition of all permits, approvals and licenses, etc.; the operation, maintenance and training services and such other items and services as specified in the bidding document, all in accordance with the requirements of the General Conditions of Contract. Items against which no price is entered by the Bidder will not be paid for by the Employer when executed and shall be deemed to be covered by the prices for other items. |

- 17.2 Bidders are required to quote the price for the commercial, contractual and technical obligations outlined in the bidding document.
- 17.3 Bidders shall give a breakdown of the prices in the manner and detail called for in the Price Schedules included in Section IV, Bidding Forms.

Depending on the scope of the Contract, the Price Schedules may comprise up to the six (6) schedules listed below. Separate numbered Schedules included in Section IV, Bidding Forms, from those numbered 1 to 4 below, shall be used for each of the elements of the Plant and Installation Services. The total amount from each Schedule corresponding to an element of the Plant and Installation Services shall be summarized in the schedule titled Grand Summary, (Schedule 5), giving the total Bid price(s) to be entered in the Letter of Bid. Bidders shall note that the plant and equipment included in Schedule Nos. 1 and 2 below exclude materials used for civil, building and other construction works. All such materials shall be included and priced under Schedule No. 4, Installation Services. The Schedules comprise:

**Schedule No. 1:** Plant (including Mandatory Spare Parts)  
Supplied from Abroad

**Schedule No. 2:** Plant (including Mandatory Spare Parts)  
Supplied from within the Employer’s  
Country

**Schedule No. 3:** Design Services

**Schedule No. 4:** Installation Services

**Schedule No. 5:** Grand Summary (Schedule Nos.1 to 4)

**Schedule No. 6:** Recommended Spare Parts

- 17.5. In the Schedules, Bidders shall give the required details and a breakdown of their prices as follows:
- (a) Plant to be supplied from abroad (Schedule No. 1):  
The price of the Plant shall be quoted on CIP-named place of destination basis as specified **in the BDS**.
- (b) Plant manufactured within the Employer’s Country (Schedule No. 2):
- (i) The price of the Plant shall be quoted on an EXW Incoterm basis (such as “ex-works,” “ex-factory,” “ex-warehouse” or “off-the-shelf,” as applicable), including all customs duties, sales and other taxes already paid or payable on the components and raw materials used in the manufacture or assembly of the Plant;



- (ii) Sales tax and all other taxes payable in the Employer's Country on the Plant if the contract is awarded to the Bidder;
  - (c) Design Services (Schedule No. 3);
  - (d) Installation Services shall be quoted separately (Schedule No. 4) and shall include rates or prices for local transportation to named place of final destination as specified **in the BDS**, insurance and other services incidental to delivery of the Plant, all labor, contractor's equipment, temporary works, materials, consumables and all matters and things of whatsoever nature, including operations and maintenance services, the provision of operations and maintenance manuals, training, etc., where identified in the bidding document, as necessary for the proper execution of the installation and other services, including all taxes, duties, levies and charges payable in the Employer's Country as of twenty-eight (28) days prior to the deadline for submission of Bids;
  - (e) Recommended spare parts shall be quoted separately (Schedule 6) as specified in either subparagraph (a) or (b) above in accordance with the origin of the spare parts.
- 17.6 The terms EXW, CIP, and other similar terms shall be governed by the rules prescribed in the current edition of Incoterms, published by the International Chamber of Commerce, as specified **in the BDS**.
- 17.7 The prices shall be either fixed or adjustable as specified **in the BDS**.
- 17.8 In the case of **Fixed Price**, prices quoted by the Bidder shall be fixed during the Bidder's performance of the contract and not subject to variation on any account. A Bid submitted with an adjustable price quotation will be treated as non-responsive and rejected.
- 17.9 In the case of **Adjustable Price**, prices quoted by the Bidder shall be subject to adjustment during performance of the contract to reflect changes in the cost elements such as labor, material, transport and contractor's equipment in accordance with the procedures specified in the corresponding Appendix to the Contract Agreement. A Bid submitted with a fixed price quotation will not be rejected, but the price adjustment will be treated as zero. Bidders are required to indicate the source of labor and material indices in the corresponding Form in Section IV, Bidding Forms.

- 17.10 If so indicated in ITB 1.1, Bids are being invited for individual lots (contracts) or for any combination of lots (packages). Bidders wishing to offer any price reduction (discount) for the award of more than one Contract shall specify in their Letter of Bid the price reductions applicable to each package, or alternatively, to individual Contracts within the package, and the manner in which the price reductions will apply.
- 17.11 Bidders wishing to offer any unconditional discount shall specify in their Letter of Bid the offered discounts and the manner in which price discounts will apply.
- 18. Currencies of Bid and Payment**
- 18.1 The currency(ies) of the Bid and the currency(ies) of payments shall be the same. The Bidder shall quote in the currency of the Employer's country the portion of the Bid price that corresponds to expenditures incurred in the currency of the Employer's Country, unless otherwise specified **in the BDS**.
- 18.2 The Bidder may express the Bid price in any currency. If the Bidder wishes to be paid in a combination of amounts in different currencies, it may quote its price accordingly but shall use no more than three foreign currencies in addition to the currency of the Employer's Country.
- 19. Period of Validity of Bids**
- 19.1 Bids shall remain valid until the date specified **in the BDS** or any extended date if amended by the Employer in accordance with ITB 8. A Bid that is not valid until the date specified **in the BDS**, or any extended date if amended by the Employer in accordance with ITB 8, shall be rejected by the Employer as nonresponsive.
- 19.2 In exceptional circumstances, prior to the date of expiration of the Bid validity, the Employer may request Bidders to extend the period of validity of their Bids. The request and the responses shall be made in writing. If a Bid Security is requested in accordance with ITB 20, the Bidder granting the request shall also extend the Bid Security for twenty-eight (28) days beyond the deadline of the extended validity period. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its Bid, except as provided in ITB 19.3.
- 19.3 If the award is delayed by a period exceeding fifty-six (56) days beyond the expiry of the initial Bid validity specified in accordance with ITB 19.1, the Contract price shall be determined as follows:

- (a) in the case of **fixed price** contracts, the Contract price shall be the Bid price adjusted by the factor or factors specified **in the BDS**;
- (b) in the case of **adjustable price** contracts, no adjustment shall be made; or
- (c) in any case, Bid evaluation shall be based on the Bid price without taking into consideration the applicable correction from those indicated above.

**20. Bid Security**

- 20.1 The Bidder shall furnish as part of its Bid, either a Bid-Securing Declaration or a Bid Security as specified **in the BDS**, in original form and, in the case of a Bid Security, in the amount and currency specified **in the BDS**.
- 20.2 A Bid-Securing Declaration shall use the form included in Section IV Bidding Forms.
- 20.3 If a Bid Security is specified pursuant to ITB 20.1, the Bid security shall be a demand guarantee in any of the following forms at the Bidder's option:
  - (a) an unconditional guarantee issued by a bank or non-bank financial institution (such as an insurance, bonding or surety company);
  - (b) an irrevocable letter of credit;
  - (c) a cashier's or certified check; or
  - (d) another security indicated **in the BDS**,from a reputable source from an eligible country. If an unconditional guarantee is issued by a non-bank financial institution located outside the Employer's Country the issuing non-bank financial institution shall have a correspondent financial institution located in the Employer's Country to make it enforceable unless the Employer has agreed in writing, prior to Bid submission, that a correspondent financial institution is not required. In the case of a bank guarantee, the Bid Security shall be submitted either using the Bid Security Form included in Section IV, Bidding Forms, or in another substantially similar format approved by the Employer prior to Bid submission. The Bid Security shall be valid for twenty-eight (28) days beyond the original date of expiry of the Bid validity, or beyond any extended date if requested under ITB 19.2.
- 20.4 If a Bid Security or a Bid-Securing Declaration is specified pursuant to ITB 20.1, any Bid not accompanied by a substantially responsive Bid Security or Bid-Securing

Declaration shall be rejected by the Employer as nonresponsive.

- 20.5 If a Bid Security is specified pursuant to ITB 20.1, the Bid Security of unsuccessful Bidders shall be returned as promptly as possible upon the successful Bidder's furnishing of the Performance Security pursuant to ITB 47.
- 20.6 The Bid Security of the successful Bidder shall be returned as promptly as possible once the successful Bidder has signed the Contract and furnished the required Performance Security.
- 20.7 The Bid Security may be forfeited:
- (a) if a Bidder withdraws its Bid prior to the expiry date of the Bid validity specified by the Bidder on the Letter of Bid or any extended date provided by the Bidder; or
  - (b) if the successful Bidder fails to:
    - (i) sign the Contract in accordance with ITB 46; or
    - (ii) furnish a Performance Security in accordance with ITB 47.
- 20.8 The Bid Security or the Bid-Securing Declaration of a JV shall be in the name of the JV that submits the Bid. If the JV has not been legally constituted into a legally enforceable JV at the time of bidding, the Bid Security or the Bid Securing Declaration shall be in the names of all future members as named in the letter of intent referred to in ITB 4.1 and ITB 11.2.
- 20.9 If a Bid Security is not required **in the BDS**: and
- (a) if a Bidder withdraws its Bid prior to the expiry date of the Bid validity specified by the Bidder on the Letter of Bid or any extended date provided by the Bidder; or
  - (b) if the successful Bidder fails to:
    - (i) sign the Contract in accordance with ITB 46; or
    - (ii) furnish a Performance Security in accordance with ITB 47;
- the Borrower may, if provided for **in the BDS**, declare the Bidder disqualified to be awarded a contract by the Employer for a period of time as stated **in the BDS**.

**21. Format and Signing of Bid**

- 21.1 The Bidder shall prepare one original of the documents comprising the bid as described in ITB 11 and clearly mark it "Original." Alternative Bids, if permitted in accordance with

ITB 13, shall be clearly marked "Alternative". In addition, the Bidder shall submit copies of the Bid, in the number specified **in the BDS** and clearly mark them "Copy." In the event of any discrepancy between the original and the copies, the original shall prevail.

- 21.2 Bidders shall mark as "CONFIDENTIAL" information in their Bids which is confidential to their business. This may include proprietary information, trade secrets or commercial or financially sensitive information.
- 21.3 The original and all copies of the Bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder. This authorization shall consist of a written confirmation as specified **in the BDS** and shall be attached to the Bid. The name and position held by each person signing the authorization must be typed or printed below the signature. All pages of the Bid where entries or amendments have been made shall be signed or initialed by the person signing the Bid.
- 21.4 In the case that the Bidder is a JV, the Bid shall be signed by an authorized representative of the JV on behalf of the JV, and so as to be legally binding on all the members as evidenced by a power of attorney signed by their legally authorized representatives.
- 21.5 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Bid.

#### **D. Submission and Opening of Bids**

##### **22. Submission, Sealing and Marking of Bids**

- 22.1 The Bidder shall deliver the Bid in a single, sealed envelope (one (1) envelope process). Within the single envelope the Bidder shall place the following separate, sealed envelopes:
  - (a) in an envelope marked "ORIGINAL", all documents comprising the Bid, as described in ITB 11; and
  - (b) in an envelope marked "COPIES", all required copies of the Bid; and
  - (c) if alternative Bids are permitted in accordance with ITB 13, and if relevant:
    - (i) in an envelope marked "ORIGINAL-ALTERNATIVE BID" the alternative Bid; and
    - (ii) in the envelope marked "COPIES - ALTERNATIVE BID" all required copies of the alternative Bid.
- 22.2 The inner and outer envelopes shall:

- (a) bear the name and address of the Bidder;
  - (b) be addressed to the Employer in accordance with ITB 23.1;
  - (c) bear the specific identification of this Bidding process indicated in accordance with ITB 1.1; and
  - (d) bear a warning not to open before the time and date for Bid opening.
- 22.3 If all envelopes are not sealed and marked as required, the Employer will assume no responsibility for the misplacement or premature opening of the Bid.
- 23. Deadline for Submission of Bids**
- 23.1 Bids must be received by the Employer at the address and no later than the date and time indicated **in the BDS**. When so specified **in the BDS**, Bidders shall have the option of submitting their Bids electronically. Bidders submitting Bids electronically shall follow the electronic Bid submission procedures specified **in the BDS**.
- 23.2 The Employer may, at its discretion, extend the deadline for the submission of Bids by amending the bidding document in accordance with ITB 8, in which case all rights and obligations of the Employer and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.
- 24. Late Bids**
- 24.1 The Employer shall not consider any Bid that arrives after the deadline for submission of Bids, in accordance with ITB 23. Any Bid received by the Employer after the deadline for submission of Bids shall be declared late, rejected, and returned unopened to the Bidder.
- 25. Withdrawal, Substitution, and Modification of Bids**
- 25.1 A Bidder may withdraw, substitute, or modify its bid after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITB 21.3, (except that withdrawal notices do not require copies). The corresponding substitution or modification of the Bid must accompany the respective written notice. All notices must be:
- (a) prepared and submitted in accordance with ITB 21 and ITB 22 (except that withdrawals notices do not require copies), and in addition, the respective envelopes shall be clearly marked “Withdrawal,” “Substitution,” “Modification”; and
  - (b) received by the Employer prior to the deadline prescribed for submission of Bids, in accordance with ITB 23.

- 25.2 Bids requested to be withdrawn in accordance with ITB 25.1 shall be returned unopened to the Bidders.
- 25.3 No Bid may be withdrawn, substituted, or modified in the interval between the deadline for submission of Bids and the date of expiry of the Bid validity specified by the Bidder on the Letter of Bid or any extended date thereof.
- 26. Bid Opening**
- 26.1 Except as in the cases specified in ITB 24 and ITB 25.2, the Employer shall publicly open and read out in accordance with ITB 26.5 all Bids received by the deadline at the date, time and place specified **in the BDS** in the presence of Bidders’ designated representatives and anyone who choose to attend. Any specific electronic Bid opening procedures required if electronic Bidding is permitted in accordance with ITB 23.1, shall be as specified **in the BDS**.
- 26.2 First, the written notice of withdrawal in the envelopes marked “Withdrawal” shall be opened and read out and the envelope with the corresponding Bid shall not be opened, but returned to the Bidder. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at Bid opening.
- 26.3 Next, envelopes marked “Substitution” shall be opened and read out and exchanged with the corresponding Bid being substituted, and the substituted Bid shall not be opened, but returned to the Bidder. No Bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at Bid opening.
- 26.4 Next, envelopes marked “Modification” shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Bid opening.
- 26.5 Next, all remaining envelopes shall be opened one at a time, reading out: the name of the Bidder and the Bid Price(s), including any discounts and alternative Bids, and indicating whether there is a modification; the presence or absence of a Bid Security or Bid-Securing Declaration, if required; and any other details as the Employer may consider appropriate.
- 26.6 Only Bids, alternative Bids and discounts that are opened and read out at Bid opening shall be considered further. The Letter of Bid and the Price Schedules are to be initialed by

representatives of the Employer attending Bid opening in the manner specified **in the BDS**.

- 26.7 The Employer shall neither discuss the merits of any Bid nor reject any Bid (except for late Bids, in accordance with ITB 24.1).
- 26.8 The Employer shall prepare a record of the Bid opening that shall include, as a minimum:
- (a) the name of the Bidder and whether there is a withdrawal, substitution, or modification;
  - (b) the Bid Price, per lot if applicable, including any discounts;
  - (c) any alternative Bids; and
  - (d) the presence or absence of a Bid Security or a Bid-Securing Declaration.
- 26.9 The Bidders' representatives who are present shall be requested to sign the record. The omission of a Bidder's signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Bidders.

#### **E. Evaluation and Comparison of Bids**

- 27. Confidentiality**
- 27.1 Information relating to the evaluation of Bids and recommendation of contract award, shall not be disclosed to Bidders or any other persons not officially concerned with the Bidding process until information on Intention to Award the Contract is transmitted to all Bidders in accordance with ITB 42.
- 27.2 Any effort by a Bidder to influence the Employer in the evaluation of the bids or Contract award decisions may result in the rejection of its Bid.
- 27.3 Notwithstanding ITB 27.2, from the time of Bid opening to the time of Contract Award, if any Bidder wishes to contact the Employer on any matter related to the Bidding process, it should do so in writing.



- 28. Clarification of Bids**
- 28.1 To assist in the examination, evaluation, and comparison of the Bids, and qualification of the Bidders, the Employer may, at its discretion, ask any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder that is not in response to a request by the Employer shall not be considered. The Employer’s request for clarification and the response shall be in writing. No change in the prices or substance of the Bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the Employer in the evaluation of the Bids, in accordance with ITB 32.
- 28.2 If a Bidder does not provide clarifications of its Bid by the date and time set in the Employer’s request for clarification, its Bid may be rejected.
- 29. Deviations, Reservations, and Omissions**
- 29.1 During the evaluation of Bids, the following definitions apply:
- (a) “Deviation” is a departure from the requirements specified in the bidding document;
  - (b) “Reservation” is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the bidding document; and
  - (c) “Omission” is the failure to submit part or all of the information or documentation required in the bidding document.
- 30. Determination of Responsiveness**
- 30.1 The Employer’s determination of a Bid’s responsiveness is to be based on the contents of the Bid itself, as defined in ITB11.
- 30.2 A substantially responsive Bid is one that meets the requirements of the bidding document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that:
- (a) if accepted, would:
    - (i) **affect in any substantial way the scope, quality, or performance of the Plant and Installation Services specified in the Contract; or**
    - (ii) **limit in any substantial way, inconsistent with the bidding document, the Employer’s rights or the Bidder’s obligations under the proposed Contract; or**
  - (b) if rectified, would unfairly affect the competitive position of other Bidders presenting substantially responsive Bids.

- 30.3 The Employer shall examine the technical aspects of the Bid in particular, to confirm that all requirements of Section VII, Employer's Requirements have been met without any material deviation, reservation, or omission.
- 30.4 If a Bid is not substantially responsive to the requirements of the bidding document, it shall be rejected by the Employer and may not subsequently be made responsive by correction of the material deviation, reservation, or omission.
- 31. Nonmaterial Nonconformities**
- 31.1 Provided that a Bid is substantially responsive, the Employer may waive any nonconformity in the Bid that does not constitute a material deviation, reservation or omission.
- 31.2 Provided that a Bid is substantially responsive, the Employer may request that the Bidder submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities in the Bid related to documentation requirements. Requesting information or documentation on such nonconformities shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.
- 31.3 Provided that a Bid is substantially responsive, the Employer shall rectify quantifiable nonmaterial nonconformities related to the Bid Price. To this effect, the Bid Price shall be adjusted, for comparison purposes only to reflect the price of a missing or non-conforming item or component, by adding the average price of the item or component quoted by substantially responsive Bidders. If the price of the item or component cannot be derived from the price of other substantially responsive Bids, the Employer shall use its best estimate.
- 32. Correction of Arithmetical Errors**
- 32.1 Provided that the Bid is substantially responsive, the Employer shall correct arithmetical errors on the following basis:
- (a) where there are errors between the total of the amounts given under the column for the price breakdown and the amount given under the Total Price, the former shall prevail and the latter will be corrected accordingly;
  - (b) where there are errors between the total of the amounts of Schedule Nos. 1 to 4 and the amount given in Schedule No. 5 (Grand Summary), the former shall prevail and the latter will be corrected accordingly; and

- (c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.
  - 32.2 Bidders shall be requested to accept correction of arithmetical errors. Failure to accept the correction in accordance with ITB 32.1, shall result in the rejection of the Bid.
- 33. **Conversion to Single Currency**
  - 33.1 For evaluation and comparison purposes, the currency(ies) of the Bid shall be converted into a single currency as specified **in the BDS**.
- 34. **Margin of Preference**
  - 34.1 No margin of domestic preference shall apply.
- 35. **Evaluation of Bids**
  - 35.1 The Employer shall use the criteria and methodologies listed in this ITB and Section III, Evaluation and Qualification criteria. No other evaluation criteria or methodologies shall be permitted. By applying the criteria and methodologies the Employer shall determine the Most Advantageous Bid. This is the Bid of the Bidder that meets the qualification criteria and that has been determined to be:
    - (a) substantially responsive to the bidding document; and
    - (b) the lowest evaluated cost.
  - 35.2 **Technical Evaluation.** The Employer will carry out a detailed technical evaluation of the Bids not previously rejected to determine whether the technical aspects are in compliance with the bidding document. The Bid that does not meet minimum acceptable standards of completeness, consistency and detail, and the specified minimum (or maximum, as the case may be) requirements for specified functional guarantees, will be rejected for non-responsiveness. In order to reach its determination, the Employer will examine and compare the technical aspects of the Bids on the basis of the information supplied by the Bidders, taking into account the following:
    - (a) overall completeness and compliance with the Employer's Requirements; conformity of the Plant and Installation Services offered with specified performance criteria, including conformity with the specified minimum (or maximum, as the case may be) requirement corresponding to each functional guarantee, as indicated in the Specification and in Section III, Evaluation and Qualification Criteria;

- suitability of the Plant and Installation Services offered in relation to the environmental and climatic conditions prevailing at the site; and quality, function and operation of any process control concept included in the Bid;
- (b) type, quantity and long-term availability of mandatory and recommended spare parts and maintenance services, as applicable; and
  - (c) other relevant factors, if any, listed in Section III, Evaluation and Qualification Criteria.
- 35.3 Where alternative technical solutions have been allowed in accordance with ITB 13, and offered by the Bidder, the Employer will make a similar evaluation of the alternatives. Where alternatives have not been allowed but have been offered, they shall be ignored.
- 35.4 **Economic Evaluation.** To evaluate a Bid, the Employer shall consider the following:
- (a) the Bid price, excluding provisional sums and the provision, if any, for contingencies in the Price Schedules;
  - (b) price adjustment for correction of arithmetic errors in accordance with ITB 32.1;
  - (c) price adjustment due to discounts offered in accordance with ITB 17.11;
  - (d) price adjustment due to quantifiable nonmaterial nonconformities in accordance with ITB 31.3;
  - (e) converting the amount resulting from applying (a) to (c) above, if relevant, to a single currency in accordance with ITB 33; and
  - (f) the evaluation factors specified **in the BDS** and in Section III, Evaluation and Qualification Criteria.
- 35.5 If price adjustment is allowed in accordance with ITB 17.7, the estimated effect of the price adjustment provisions of the Conditions of Contract, applied over the period of execution of the Contract, shall not be taken into account in Bid evaluation.
- 35.6 If this bidding document allows Bidders to quote separate prices for different lots (contracts), and the award to a single Bidder of multiple lots (contracts), the methodology to determine the lowest evaluated cost of the lot (contract) combinations, including any discounts offered in the Letter of Bid, is specified in Section III, Evaluation and Qualification Criteria.

- 36. Comparison of Bids** 36.1 The Employer shall compare the evaluated costs of all substantially responsive Bids established in accordance with ITB 35.4 to determine the Bid that has the lowest evaluated cost.
- 37. Abnormally Low Bids** 37.1 An Abnormally Low Bid is one where the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the Contract for the offered Bid Price.
- 37.2 In the event of identification of a potentially Abnormally Low Bid, the Employer shall seek written clarifications from the Bidder, including detailed price analyses of its Bid price in correlation to the subject matter of the contract, scope, proposed methodology, schedule, allocation of risks and responsibilities and any other requirements of the bidding document.
- 37.3 After evaluation of the price analyses, in the event that the Employer determines that the Bidder has failed to demonstrate its capability to deliver the contract for the offered tender price, the Employer shall reject the Bid.
- 38. Unbalanced or Front Loaded Bids** 38.1 If the Bid that is evaluated as the lowest evaluated cost is, in the Employer’s opinion, seriously unbalanced or front loaded the Employer may require the Bidder to provide written clarifications. Clarifications may include detailed price analyses to demonstrate the consistency of the Bid prices with the scope of works, proposed methodology, schedule and any other requirements of the bidding document.
- 38.2 After the evaluation of the information and detailed price analyses presented by the Bidder, the Employer may:
- (a) accept the Bid; or
  - (b) if appropriate, require that the total amount of the Performance Security be increased, at the expense of the Bidder, to a level not exceeding twenty percent (20%) of the Contract Price; or
  - (c) reject the Bid.
- 39. Eligibility and Qualification of the Bidder** 39.1 The Employer shall determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated cost and substantially responsive Bid is eligible and meets the qualifying criteria specified in Section III, Evaluation and Qualification Criteria.

- 39.2 The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, pursuant to ITB 15.1. The determination shall not take into consideration the qualifications of other firms such as the Bidder's subsidiaries, parent entities, affiliates, subcontractors (other than Specialized Subcontractors if permitted in the bidding document) or any other firm(s) different from the Bidder.
- 39.3 An affirmative determination shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the Bid, in which event the Employer shall proceed to the Bidder who offers a substantially responsive Bid with the next lowest evaluated cost to make a similar determination of that Bidder's qualifications to perform satisfactorily.
- 39.4 The capabilities of the manufacturers and subcontractors proposed in its Bid to be used by the Bidder with the Most Advantageous Bid for identified major items of supply or services will also be evaluated for acceptability in accordance with Section III, Evaluation and Qualification Criteria. Their participation should be confirmed with a letter of intent between the parties, as needed. Should a manufacturer or subcontractor be determined to be unacceptable, the Bid will not be rejected, but the Bidder will be required to substitute an acceptable manufacturer or subcontractor without any change to the Bid price. Prior to signing the Contract, the corresponding Appendix to the Contract Agreement shall be completed, listing the approved manufacturers or subcontractors for each item concerned.
- 40. Employer's right to Accept Any Bid and to Reject Any or All Bids**      40.1 The Employer reserves the right to accept or reject any Bid, and to annul the Bidding process and reject all Bids at any time prior to Contract Award, without thereby incurring any liability to Bidders. In case of annulment, all Bids submitted and specifically, Bid securities shall be promptly returned to the Bidders.
- 41. Standstill Period**      41.1 The Contract shall not be awarded earlier than the expiry of the Standstill Period. The Standstill Period shall be ten (10) Business Days unless extended in accordance with ITB 45. The Standstill Period commences the day after the date the Employer has transmitted to each Bidder the Notification of Intention to Award the Contract. Where only one Bid is submitted, or if this contract is in response to an emergency

situation recognized by the Bank, the Standstill Period shall not apply.

**42. Notification of Intention to Award**

- 42.1 The Employer shall send to each Bidder the Notification of Intention to Award the Contract to the successful Bidder. The Notification of Intention to Award shall contain, at a minimum, the following information:
- (a) the name and address of the Bidder submitting the successful Bid;
  - (b) the Contract price of the successful Bid;
  - (c) the names of all Bidders who submitted Bids, and their Bid prices as readout, and as evaluated;
  - (d) a statement of the reason(s) the Bid (of the unsuccessful Bidder to whom the notification is addressed) was unsuccessful, unless the price information in c) above already reveals the reason;
  - (e) the expiry date of the Standstill Period; and
  - (f) instructions on how to request a debriefing and/or submit a complaint during the standstill period.

**F. Award of Contract**

**43. Award Criteria**

- 43.1 Subject to ITB 40, the Employer shall award the Contract to the successful Bidder. This is the Bidder whose Bid has been determined to be the Most Advantageous Bid. This is the Bid of the Bidder that meets the qualification criteria and whose Bid has been determined to be:
- (a) substantially responsive to the bidding document; and
  - (b) the lowest evaluated cost.

**44. Notification of Award**

- 44.1 Prior to the date of expiry of the bid validity, and upon expiry of the Standstill Period, specified in ITB 41.1 or any extension thereof, and upon satisfactorily addressing any complaint that has been filed within the Standstill Period, the Employer shall notify the successful Bidder, in writing, that its Bid has been accepted. The notification of award (hereinafter and in the Contract Forms called the “Letter of Acceptance”) shall specify the sum that the Employer will pay the Contractor in consideration of the execution of the contract (hereinafter and in the Conditions of Contract and Contract Forms called “the Contract Price”).
- 44.2 Within ten (10) Business Days after the date of transmission of the Letter of Acceptance, the Employer shall publish the

Contract Award Notice which shall contain, at a minimum, the following information:

- (a) name and address of the Employer;
- (b) name and reference number of the contract being awarded, and the selection method used;
- (c) names of all Bidders that submitted Bids, and their Bid prices as read out at Bid opening, and as evaluated;
- (d) names of all Bidders whose Bids were rejected either as nonresponsive or as not meeting qualification criteria, or were not evaluated, with the reasons therefor;
- (e) the name of the successful Bidder, the final total contract price, the contract duration and a summary of its scope; and
- (f) successful Bidder's Beneficial Ownership Disclosure Form, if specified in BDS ITB 46.1.

44.3 The Contract Award Notice shall be published on the Employer's website with free access if available, or in at least one newspaper of national circulation in the Employer's Country, or in the official gazette. The Employer shall also publish the contract award notice in UNDB online.

44.4 Until a formal contract is prepared and executed, the Letter of Acceptance shall constitute a binding Contract

**45. Debriefing by the Employer**

45.1 On receipt of the Employer's Notification of Intention to Award referred to in ITB 42, an unsuccessful Bidder has three (3) Business Days to make a written request to the Employer for a debriefing. The Employer shall provide a debriefing to all unsuccessful Bidders whose request is received within this deadline.

45.2 Where a request for debriefing is received within the deadline, the Employer shall provide a debriefing within five (5) Business Days, unless the Employer decides, for justifiable reasons, to provide the debriefing outside this timeframe. In that case, the standstill period shall automatically be extended until five (5) Business Days after such debriefing is provided. If more than one debriefing is so delayed, the standstill period shall not end earlier than five (5) Business Days after the last debriefing takes place. The Employer shall promptly inform, by the quickest means available, all Bidders of the extended standstill period.

45.3 Where a request for debriefing is received by the Employer later than the three (3)-Business Day deadline, the Employer



should provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of Public Notice of Award of contract. Requests for debriefing received outside the three (3)-day deadline shall not lead to extension of the standstill period.

45.4 Debriefings of unsuccessful Bidders may be done in writing or verbally. The Bidder shall bear their own costs of attending such a debriefing meeting.

**46. Signing of Contract**

46.1 The Employer shall send to the successful Bidder the Letter of Acceptance including the Contract Agreement, and, if specified in the BDS, a request to submit the Beneficial Ownership Disclosure Form providing additional information on its beneficial ownership. The Beneficial Ownership Disclosure Form, if so requested, shall be submitted within eight (8) Business Days of receiving this request.

46.2 The successful Bidder shall sign, date and return to the Employer, the Contract Agreement within twenty-eight (28) days of its receipt.

46.3 Notwithstanding ITB 46.2 above, in case signing of the Contract Agreement is prevented by any export restrictions attributable to the Employer, to the country of the Employer, or to the use of the Plant and Installation Services to be supplied, where such export restrictions arise from trade regulations from a country supplying those Plant and Installation Services, the Bidder shall not be bound by its Bid, always provided, however, that the Bidder can demonstrate to the satisfaction of the Employer and of the Bank that signing of the Contract Agreement has not been prevented by any lack of diligence on the part of the Bidder in completing any formalities, including applying for permits, authorizations and licenses necessary for the export of the Plant and Installation Services under the terms of the Contract.

**47. Performance Security**

47.1 Within twenty-eight (28) days of the receipt of the Letter of Acceptance from the Employer, the successful Bidder shall furnish the Performance Security in accordance with the General Conditions of Contract GCC 13.3, subject to ITB 38, using for that purpose the Performance Security Form included in Section X, Contract Forms, or another form acceptable to the Employer. If the Performance Security furnished by the successful Bidder is in the form of a bond, it shall be issued by a bonding or insurance company that has been determined by the successful Bidder to be acceptable

to the Employer. A foreign institution providing a bond shall have a correspondent financial institution located in the Employer's Country, unless the Employer has agreed in writing that a correspondent financial institution is not required.

47.2 Failure of the successful Bidder to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security. In that event the Employer may award the Contract to the Bidder offering the next Most Advantageous Bid.

**48. Procurement  
Related  
Complaint**

48.1 The procedures for making a Procurement-related Complaint are as specified in the BDS.

## Section II - Bid Data Sheet

The following specific data for the Facilities to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in ITB.

| <b>A. General</b>               |  |
|---------------------------------|--|
| <b>ITB 1.1<br/>Scope of Bid</b> | <p>The reference number of the Request for Bids (RFB) is: <b>KE-REA-373014-CW-RFB</b></p> <p>The Employer is: <b>Rural Electrification and Renewable Energy Corporation</b></p> <p>The name of the RFB is: <b>Design, Supply, Installation and Commissioning of Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Mini-Grids) in Turkana, Marsabit, Samburu &amp; Isiolo Counties in Kenya with 7 Years Operations and Maintenance (O&amp;M) Services</b></p> <p>The number and identification of lots (contracts) comprising this RFB is: <b>Six (6)</b></p> <p><b>KE-REA-373014-CW-RFB Lot 1:</b> Design, Supply, Installation and Commissioning of 6No. Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Mini-Grids) in parts of Turkana County (Turkana North and West Constituencies) with 7 Years Operations and Maintenance (O&amp;M) Services</p> <p><b>KE-REA-373014-CW-RFB Lot 2:</b> Design, Supply, Installation and Commissioning of 6No. Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Mini-Grids) in parts of Turkana County (Turkana East, Turkana Central, Turkana South &amp; Loima Constituencies) with 7 Years Operations and Maintenance (O&amp;M) Services</p> <p><b>KE-REA-373014-CW-RFB Lot 3:</b> Design, Supply, Installation and Commissioning of 5No. Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Mini-Grids) in parts of Marsabit County (Moyale and Saku Constituencies) with 7 Years Operations and Maintenance (O&amp;M)</p> <p><b>KE-REA-373014-CW-RFB Lot 4:</b> Design, Supply, Installation and Commissioning of 5No. Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Mini-Grids) in parts of Marsabit County (Laisamis and North Horr Constituencies) with 7 Years Operations and Maintenance (O&amp;M)</p> |

|   |   |
|---|---|
|   | <p><b>KE-REA-373014-CW-RFB Lot 5:</b> Design, Supply, Installation and Commissioning of 4No. Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Mini-Grids) in parts of Samburu County (Samburu West, Samburu North and Samburu East Constituencies) with 7 Years Operations and Maintenance (O&amp;M) Services</p> <p><b>KE-REA-373014-CW-RFB Lot 6:</b> Design, Supply, Installation and Commissioning of 5No. Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Mini-Grids) in parts of Isiolo County (Isiolo North &amp; Isiolo South Constituencies) with 7 Years Operations and Maintenance (O&amp;M) Services</p> |
| ITB 1.2 (a)   | <p><b>Electronic –Procurement System</b><br/>The Employer shall not use electronic-procurement system to manage this Bidding process.</p>   |
| ITB 2.1<br>Source of Funds  | <p>The Borrower is: <b>Government of Kenya</b><br/>The amount of the financing borrowed by GoK for the whole project is: <b>Eur 133.8 Million</b><br/>The name of the Project is: <b>Kenya Off-Grid Solar Access Project for Underserved Counties (KOSAP)</b></p>   |
| ITB 4.1<br>Eligible Bidders   | <p>Maximum number of members in the Joint Venture (JV) shall be: <b>Three (3)</b><br/>The individuals or firms in a joint venture, consortium or association <b>Shall be</b> jointly and severally liable.<br/><b>Add the following at the end of ITB Clause 4.1</b><br/>The joint venture agreement should indicate precisely the responsibility of all members of JV in respect of planning, design, manufacturing, supply, installation, commissioning and training. All members of JV should have active participation in execution during the currency of the contract. This should not be varied/modified subsequently without prior approval of the Employer.</p>              |
| ITB 4.5   | <p>A list of debarred firms and individuals is available on the Bank's external website: <a href="http://www.worldbank.org/debarr">http://www.worldbank.org/debarr</a>.</p>   |
| <b>B. Bidding Document</b>  |   |
| ITB 7.1<br>Clarification of Bidding Document, Site Visit, Pre-Bid Meeting | <p>For <b>Clarification of Bid purposes</b> only, the Employer's address is:<br/>Attention: <b>Project Manager</b><br/><b>Rural Electrification and Renewable Energy Corporation</b><br/>Street Address: <b>Kawi House, South C</b><br/>Floor/Room number: <b>Ground Floor</b><br/>City: <b>Nairobi</b><br/>ZIP Code: <b>00100</b><br/>Country: <b>Kenya</b><br/>Telephone: <b>+254-709193000/3600</b><br/>Electronic mail address: <b>procurement@rrec.co.ke</b><br/>And copy to: <b>tenders@rrec.co.ke</b></p>  |

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|  | Requests for clarifications should be received by the Purchaser no later than <b>14 days</b> , prior to the deadline for submission of Bids.   |
| <b>ITB 7.4</b>   | <p>A Pre-Bid meeting shall take place at the following date, time and place:<br/> Date: <b>15<sup>th</sup> September, 2023</b><br/> Time: <b>1030H East Africa Time</b><br/> Place: <b>Room 1, Kawi House auditorium, South C, Nairobi</b></p> <p>There shall be no mandatory site visit. However Interested bidders are strongly advised to visit all the sites and familiarize themselves fully with the site conditions before bidding. Non-familiarity with the site conditions will not be acceptable for any type of extra claims or for not carrying out the construction and installation of mini-grids in strict conformity with the Employer's Requirement and Technical Specification or for any delay in date of Commissioning.</p>  |
| <b>ITB 7.6</b>   | Web page for publishing Minutes of Pre-Bid Meeting: <a href="http://www.rerec.co.ke">www.rerec.co.ke</a>   |
| <b>C. Preparation of Bids</b>                              |  |
| <b>ITB 10.1</b><br><b>Language of Bid</b>                  | <p>The language of the Bid is: <b>English</b>.</p> <p>All correspondence exchange shall be in English language.</p> <p>Any document in a language other than English must be translated into English by a certified and recognized body.</p>   |
| <b>ITB 11.1 (j)</b><br><b>Documents Comprising the Bid</b> | <p>The Bidder shall submit the following additional documents in its Bid for the following <b>major items</b> as listed below:</p> <ol style="list-style-type: none"> <li>1) Manufacturer's Authorization addressed to Rural Electrification and Renewable Energy Corporation (REREC) incase the bidder is not a manufacturer</li> <li>2) Manufacturer's Warranty as stipulated in the Technical Specifications (Volume II).<br/>(Note: The Bidder shall use for the purpose of No. 1&amp;2 above, the 'Manufacturer's Authorization and Warranty Form' provided in Section IV).</li> <li>3) Guaranteed Technical Particulars (GTPs) duly completed and signed by the Manufacturer as per Volume II, Employers Requirements and Technical Specifications (Appendix 2).</li> <li>4) Manufacturers shall submit ISO 9001:2015 or equivalent or higher quality assurance certifications. A copy of such certificates shall be submitted with the bid.</li> <li>5) Type Test Reports and certificates from accredited laboratories as required in the technical specifications</li> </ol> <p>Copies of Type Test Reports shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>i. Type Test Reports shall have been carried out by a laboratory independent from the manufacturer or with the witness of independent laboratory. Accreditation certificate for the testing laboratory shall be presented.</li> </ol> |

- ii. Type Test Reports shall include all items tested and results confirming that they meet the requirements of applied standards as stipulated in Tender Documents.
- iii. Type Test reports shall have Report Numbers for authentication
- 6) Accreditation Certificate of the testing Laboratory that issued the type test certificate
- 7) Technical data sheet (brochures, catalogues, drawings) describing in the details the offered items.
- 8) Documentary Evidence indicating manufacturers Supplies record as follows;
  - i. List of manufacturer’s customer sales records submitted to support the offer.
  - ii. Details of the previous supply contracts:
    - a. The Client’s name, address and contact person as well as its location.
    - b. Copies of signed contracts, award letters, and Purchase Orders indicating quantity supplied under the contract
- 9) Forced Labor Performance Declaration as per section III Evaluation and Qualification Criteria (The bidder as well as subcontractors, suppliers and/or manufacturers proposed by the bidder must also make the declaration)

The major items in this project are:

| No | Major equipment  |
|----|--|
| 1  | Solar Photovoltaic Modules   |
| 2  | Battery Energy Storage System  |
| 3  | PV Inverter  |
| 4  | Battery Inverter   |
| 5  | Diesel Generator   |
| 6  | Transformers (step up and step down transformers)                                  |
| 7  | Concrete Poles (10m, 11m, 12m)   |
| 8  | Conductors (75 Sqmm ACSR, 100 Sqmm bare All Aluminium, 50 Sqmm bare All Aluminium) |

**Additional MANDATORY documents that the Bidder MUST submit with its bid are;**

- a) Forced Labor Declaration (The Bidder shall use for this purpose the ‘Forced Labor Declaration’ form provided in Section IV - Bidding Forms)
- b) Forced Labor Performance Declaration as per section III Evaluation and Qualification Criteria (The bidder as well as subcontractors, suppliers and/or manufacturers proposed by the bidder must also make the declaration)
- c) Site organization chart
- d) Method statement/work methodology

|  |  |
|--|--|
|  | <p>e) Implementation schedule comprising; mobilization program, manufacturing program and construction schedule with start and finish dates.</p> <p>f) Management Strategies and Implementation Plans (MSIP) to manage the (ES) risks.<br/>The Bidder shall submit Management Strategies and Implementation Plans (MSIP) to manage all the Environmental, Social, Health and Safety (ES) risks;</p> <p>i. The Construction and Community Health and Safety Management Plans to ensure the safety all construction workers and the project host local communities from construction hazards;</p> <p>ii. Environmental and Social Management Plans to safeguard against environmental pollution and construction induced social impacts;</p> <p>iii. HR and Labour Influx Management Plans to help manage all the related social impact</p> <p>iv. Sexual Exploitation, and Abuse (SEA) prevention and response action plan</p> <p>v. Stakeholder Engagement Plan to help guide communication with all stakeholders including engagement with, and inclusion of the project affected persons (PAPs), the Vulnerable and Marginalised Groups (VMGs/IPs) as defined by the World Bank’s Operational Policy 4.10 (OP 4.10) to maintain the required social capital to implement the project and to ensure that VMGs are included in project benefits;</p> <p>g) Code of Conduct for Contractor’s Personnel (ES)<br/>The Bidder shall submit its Code of Conduct that will apply to the Contractor’s Personnel (as defined in GCC Sub- Clause 1) employed for the execution of Installation Services (defined in GCC Sub- Clause 1) at the Site (or other places in the country where the Site is located), to ensure compliance with the Contractor’s Environmental and Social (ES) obligations under the Contract.<br/>The Bidder shall use for this purpose the Code of Conduct form provided in Section IV. No substantial modifications shall be made to this form, except that the Bidder may introduce additional requirements, including as necessary to take into account specific Contract issues/risks.</p> <p>h) Grievance Redress Mechanism</p> <p>i) Bidder’s audited financial statements for the last five (5) years as stipulated in Section III of the Evaluation criteria.</p> <p>j) Documentary evidence to support previous experience:</p> <p>i. The Client’s name, email and physical address as well as name and telephone number of the contact person.</p> <p>ii. Copies of signed contracts, award letters with the contract amount.</p> <p>iii. Completion/commissioning and operational/ take-over certificates provided.</p> |
|--|--|

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|---|---|
|   | <b>Note:</b> Upon award of contract, the contractor shall be required to meet the class registration requirements for Energy and Petroleum Regulatory Authority (EPRA) and National Construction Authority (NCA)  |
| <b>ITB 13.1<br/>Alternative Bids</b>              | Alternative Bids <b>shall not be</b> considered.  |
| <b>ITB 13.2</b>                                   | Alternatives to the Time Schedule <b>shall not be</b> permitted.  |
| <b>ITB 13.4</b>                                   | Alternative technical solutions shall be permitted for the following parts of the Plant and Installation Services: <b>Not Applicable</b>  |
| <b>ITB 17.1<br/>Bid Prices and Discounts</b>      | Bidders shall quote for the following components or services on a single responsibility basis: Lot 1, Lot 2, Lot 3, Lot 4, Lot 5, Lot 6.  |
| <b>ITB 17.5 (a) and (d)</b>                       | <p>(a) Place of destination: CIP Mombasa<br/>CIP for goods to be procured from abroad and Exworks for goods to be supplied from within the country.<br/>For Goods to be supplied from abroad, the supplier shall be responsible for clearance of the equipment. However, REREC shall make direct payment to Kenya Revenue Authority (KRA) for the cost of the following;</p> <ul style="list-style-type: none"> <li>i) Custom Duties</li> <li>ii) Import Declaration Fees</li> <li>iii) Value Added Tax (VAT)</li> <li>iv) Kenya Railway Development Levy (KRDL)</li> </ul> <p>The bidders shall include in their Bid the agency fees for clearing and forwarding charges for Mombasa Port, Inland Container Depots and border points. The clearing and forwarding charges shall be included in the Price Schedule for Plant to be supplied from abroad (Schedule No1).</p> <p>(d) Final destination: Project Site - As specified in the description of each Lot.</p> |
| <b>ITB 17.6</b>                                   | The Incoterms edition is: Incoterms 2020  |
| <b>ITB 17.7</b>                                   | <p><b>Phase 1: Supply &amp; Installation</b><br/>The prices/costs quoted by the Bidder <b>shall be fixed and not be subject to adjustment during the performance of the Contract.</b></p> <p><b>Phase 2: Operations &amp; Maintenance</b><br/>The prices/costs quoted by the Bidder <b>shall be subject to adjustment</b> during the performance of the Contract.</p>   |
| <b>ITB 17.10</b>                                  | Conditional discounts <b>shall</b> be allowed   |
| <b>ITB 18.1<br/>Currencies of Bid and Payment</b> | <p>The currencies of the bid shall be any easily convertible currencies but no more than three foreign currencies in addition to the currency of the Employer's Country.</p> <p>The unit rates and prices shall be quoted by the Bidder in the Schedules separately in the following currencies:</p>  |



|  | <p>(i) For those inputs to the Works that the Bidder expects to supply from within the Employer’s country, in <b>Kenya Shillings (KES)</b>, which is the “local currency”; and</p> <p>(ii) For those inputs to the Works that the Bidder expects to supply from outside the Employer’s country (referred to as “the foreign currency requirements”), in any easily convertible currencies but no more than three foreign currencies.</p>  |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
|--|---|--------|---|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|
| <b>ITB 19.1<br/>Period of Validity<br/>of Bids</b> | The Bid validity period shall be <b>120 days</b> from the date of tender opening.   |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| <b>ITB 19.3 (a)</b>                                | The Bid price shall be adjusted by the following factor(s): <b>Not Applicable</b>   |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| <b>ITB 20.1<br/>Bid Security</b>                   | <p>The Bidder shall furnish, as part of its Bid, a Bid security in the form of a <b>Bank Guarantee Only</b> for the amount as specified below, or in their equivalents based on associated Lot (s).</p> <table border="1"> <thead> <tr> <th>Lot No</th> <th>Bid Security Amount in KES or equivalent in a freely convertible currency</th> </tr> </thead> <tbody> <tr> <td>KE-REA-373014-CW-RFB LOT 1</td> <td>8,000,000.00</td> </tr> <tr> <td>KE-REA-373014-CW-RFB LOT 2</td> <td>9,500,000.00</td> </tr> <tr> <td>KE-REA-373014-CW-RFB LOT 3</td> <td>5,000,000.00</td> </tr> <tr> <td>KE-REA-373014-CW-RFB LOT 4</td> <td>6,250,000.00</td> </tr> <tr> <td>KE-REA-373014-CW-RFB LOT 5</td> <td>5,000,000.00</td> </tr> <tr> <td>KE-REA-373014-CW-RFB LOT 6</td> <td>6,250,000.00</td> </tr> </tbody> </table> <p><b>Note:</b><br/><b>Bid Security is required for each lot as per amounts indicated against each lot.</b></p> | Lot No | Bid Security Amount in KES or equivalent in a freely convertible currency | KE-REA-373014-CW-RFB LOT 1 | 8,000,000.00 | KE-REA-373014-CW-RFB LOT 2 | 9,500,000.00 | KE-REA-373014-CW-RFB LOT 3 | 5,000,000.00 | KE-REA-373014-CW-RFB LOT 4 | 6,250,000.00 | KE-REA-373014-CW-RFB LOT 5 | 5,000,000.00 | KE-REA-373014-CW-RFB LOT 6 | 6,250,000.00 |
| Lot No   | Bid Security Amount in KES or equivalent in a freely convertible currency   |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| KE-REA-373014-CW-RFB LOT 1                         | 8,000,000.00  |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| KE-REA-373014-CW-RFB LOT 2                         | 9,500,000.00  |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| KE-REA-373014-CW-RFB LOT 3                         | 5,000,000.00  |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| KE-REA-373014-CW-RFB LOT 4                         | 6,250,000.00  |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| KE-REA-373014-CW-RFB LOT 5                         | 5,000,000.00  |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| KE-REA-373014-CW-RFB LOT 6                         | 6,250,000.00  |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| <b>ITB 20.3 (d)</b>                                | Other types of acceptable securities: <b>None</b>   |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| <b>ITB 21.1<br/>Format and<br/>Signing of Bid</b>  | <p>The Bidder shall enclose the original and all copies of the bid, in separate sealed envelopes, duly marking the envelopes as “ORIGINAL”, “COPY 1”, “COPY 2,” and a Soft Copy in a Flash Disk.</p> <p>In the event of any discrepancy between the original and the hard/soft copies, the original shall prevail.</p> <p>These inner envelopes containing the original and the copies shall then be enclosed in one single Outer envelope.</p>   |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |
| <b>ITB 21.3</b>                                    | <p>The written confirmation of authorization to sign on behalf of the Bidder shall consist of:</p> <p>(a) A written Power of Attorney, stamped and signed by their legally authorized representatives/company directors including the specimen signature of the Authorized person. The power of attorney shall be commissioned by a Commissioner of Oaths, or equivalent.</p> <p>(b) In the case of Bids submitted by an existing or intended JV an undertaking signed by all parties (i) stating that all parties shall be</p>   |        |   |                            |              |                            |              |                            |              |                            |              |                            |              |                            |              |

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|   | jointly and severally liable, if so required in accordance with ITB 4.1, and (ii) nominating a Representative who shall have the authority to conduct all business for and on behalf of any and all the parties of the JV during the bidding process and, in the event the JV is awarded the Contract, during contract execution.   |
| <b>D. Submission and Opening of Bids</b>                    |   |
| <b>ITB 23.1<br/>Deadline for<br/>Submission of<br/>Bids</b> | For <b>bid submission purposes</b> only, the Employer's address is:<br>Attention: <b>Chief Executive Officer</b><br><b>Rural Electrification &amp; Renewable Energy Corporation</b><br>Kawi House, Ground floor, South C, Bellevue<br><b>Nairobi, Kenya</b><br><br><b>The deadline for bid submission is:</b><br><b>Date: 17<sup>th</sup> October, 2023</b><br>Time: <b>10.00 a.m</b><br>Bidders <b>shall not</b> have the option of submitting their bids electronically |
| <b>ITB 26.1<br/>Bid Opening</b>                             | The bid opening shall take place at:<br>Street Address: <b>Kawi House Auditorium, South C, Nairobi</b><br>Floor/Room number: Room 1/ <b>Mezzanine Floor</b><br>City: <b>Nairobi</b><br>Country: <b>Kenya</b><br>Date: <b>17<sup>th</sup> October, 2023</b><br>Time: <b>10.30a.m</b>   |
| <b>ITB 26.6</b>   | The Letter of Bid and Price Schedules shall be initialed by representatives of the Employer conducting Bid opening.<br><i>[Procedure: Each Bid shall be initialed by all representatives and shall be numbered]</i>   |
| <b>E. Evaluation, and Comparison of Bids</b>                |   |
| <b>ITB 33.1<br/>Conversion to<br/>Single Currency</b>       | The currency that shall be used for Bid evaluation and comparison purposes to convert (at the selling exchange rate) all Bid prices expressed in various currencies into a single currency is: <b>Kenya Shillings (KES)</b><br>The source of exchange rate shall be: The Central Bank of Kenya<br>The date for the exchange rate shall be: Selling Rate at the deadline date for submission of bids.  |
| <b>ITB 35.4 (f)<br/>Evaluation<br/>factors</b>              | The adjustments shall be determined using the following criteria, from amongst those set out in Section III, Evaluation and Qualification Criteria:<br><b><i>[refer to Section III, Evaluation and Qualification Criteria; insert complementary details if necessary]</i></b><br>(a) Deviation in Time for Completion: <b>No.</b>   |

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|   | <p>(b) Life cycle costs: the projected operating and maintenance costs during the life of the Facilities: <b>yes, See Methodology and criteria in Section III, Evaluation and Qualification Criteria</b></p> <p>(c) Functional Guarantees of the Facilities: <b>No</b></p> <p>(d) Work, services, facilities, etc., to be provided by the employer: <b>No</b></p>  |
| <p><b>ITB 46.1</b><br/><b>Signing of Contract</b></p>           | <p>The successful Bidder <b>shall</b> submit the Beneficial Ownership Disclosure Form.</p>   |
| <p><b>ITB 48.1</b><br/><b>Procurement Related Complaint</b></p> | <p>The procedures for making a Procurement-related Complaint are detailed in the “<a href="#">Procurement Regulations for IPF Borrowers (Annex III)</a>.” If a Bidder wishes to make a Procurement-related Complaint, the Bidder should submit its complaint following these procedures, in writing to:</p> <p>Attention: <b>Chief Executive Officer</b><br/><b>Rural Electrification &amp; Renewable Energy Corporation</b></p> <p>Street Address: <b>Kawi House, South C, Bellevue</b><br/> Floor/Room number: <b>4<sup>th</sup> Floor</b><br/> City: <b>Nairobi</b><br/> Country: <b>KENYA</b><br/> <b>Telephone:</b> <b>+254-709-193000/3600</b><br/> Email address: <b>procurement@rerec.co.ke</b></p> <p>NOTE:<br/> Since this procurement is an international competitive bidding, following the Financing Agreement that the GoK entered with the World Bank, it is applying the World Bank Procurement Regulations for IPF Borrowers and therefore using the World Bank’s Standard Procurement Document. Any procurement related complaint shall be logged and governed consistent to the World Bank’s “<a href="#">Procurement Regulations for IPF Borrowers (Annex III)</a>).</p> |



## **Section III - Evaluation and Qualification Criteria**

This Section contains all the criteria that the Employer shall use to evaluate Bids and qualify Bidders. No other factors, methods or criteria shall be used other than those specified in this bidding document.

The Bidder shall provide all the information requested in the forms included in Section IV, Bidding Forms.

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The Employer shall use the criteria and methodologies listed in this Section to evaluate Bids. By applying the criteria and methodologies, the Employer shall determine the Most Advantageous Bid. This is the Bid of the Bidder that meets the qualification criteria and whose Bid has been determined to be:

- (a) substantially responsive to the bidding document; and
- (b) the lowest evaluated cost.

## **1. Evaluation**

### **1.1 Technical Evaluation**

In addition to the criteria listed in ITB 35.2 (a) and (b), the following factors shall apply:  
Technical analysis as per Bid Response Sheet 1 (Employer's requirements -Technical Specifications) shall be met.

### **1.2 Economic Evaluation**

The following factors and methods will apply:

#### **(a) Time Schedule**

Time to complete the i) Solar Power Generation Plant and Installation Services and ii) PDN and its installation from the effective date specified in Article 3 of the Contract Agreement for determining time for completion of pre-commissioning activities is: twelve (12) months for all the mini-grids under Lots 1-6. No credit will be given for earlier completion and the Defect Liability Period shall be five hundred and forty (540) days from the date of Completion of the Facilities (or any part thereof) or one year from the date of Operational Acceptance of the Facilities (or any part thereof), whichever first occurs. Bids offering a completion date beyond the maximum designated period shall be rejected.

#### **(b) Life Cycle Costs**

Since the costs of operating and maintenance services of the facilities being procured form a major part of the life cycle cost of the facilities, these costs will be evaluated according to the principles given hereafter, based on prices furnished by each Bidder in the Schedule of Rates and Prices provided in this Bidding Document (schedule No. 6).

Refer to the Determination of the Evaluated Bid Price (EBP) methodology specified in the subsequent section of this bidding document.

The price of recommended spare parts quoted in Price Schedule No. 8 shall not be considered for evaluation except for information purpose. O&M will be the responsibility of the contractor.

**(c) Functional Guarantees of the Facilities-N/A**

The minimum (or maximum) requirements stated in the Specification for functional guarantees required in the Specification are: N/A

**(d) Work, services, facilities, etc., to be provided by the Employer**

N/A

**(e) Sustainable procurement**

N/A

**(f) Alternative technical solutions for specified parts**

N/A

**(g) Specific additional criteria**

The relevant evaluation method, if any, shall be as follows:

- 1) It is mandatory that a bidder is to quote for all mini grids in the selected lots. If a bidder does not quote for all mini-grids in a particular lot, the offer will be considered as non-responsive for that lot.
- 2) It is mandatory to quote for power generation, distribution network and 7 Years Operations and Maintenance (O&M) Services for all mini-grids in a particular lot.

**1.3 Multiple Contracts (ITB 35.6)**

If in accordance with ITB 1.1, Bids are invited for more than one lot, the contract will be awarded to the Bidder or Bidders offering a substantially responsive Bid(s) and the lowest evaluated cost to the Employer for combined lots (maximum two (2) lots, subject to the selected Bidder(s) meeting the required qualification criteria for a lot or combination of lots as the case may be.

In determining the Bidder or Bidders that offer the total lowest evaluated cost to the Employer, after considering all possible combination of lots, the Employer shall apply the following steps in sequence:

- (a) evaluate individual lots to determine the substantially responsive Bids and corresponding evaluated costs;
- (b) for each lot, rank the substantially responsive Bids starting from the lowest evaluated cost for the lot;
- (c) apply to the evaluated costs listed in (b) above, any applicable discounts/price reductions offered by a bidder (s) for the award of multiple contracts based on



the discounts and the methodology for their application offered by the respective Bidder; and

- (d) determine contract award on the basis of the combination of lots that offer the total lowest evaluated cost to the Employer.

Bidders have the option to bid for more than one lot, the contract will be awarded to the Bidder or Bidders offering a substantially responsive Bid(s) and the lowest evaluated cost to the Employer for combined lots, subject to the selected Bidder(s) meeting the required qualification criteria for a lot or combination of lots as the case may be. **However**, the maximum number of lots a bidder may be awarded shall be **two (2) lots**. The criteria to be used in arriving at the lots to be awarded for any bidder evaluated as the lowest in more than one lot shall be the lots combination that gives the employer the lowest total cost across the respective lots.

Bidders may bid for any lot but award will be limited to a maximum of two lots.

For Multiple Contracts (2 or more lots – see BDS, ITB 1.1), the criteria for qualification are the cumulative minimum requirements for respective lots under items 3.1, 3.2, 4.2 (a) and 4.2 (b).

The bidders shall note that ***Each lot shall constitute one contract***

***NB: The general geographical locations of the lots are detailed under Section VII of this bidding document (Work Requirements) complete with details relating to the scope.***

In determining Bidder or Bidders that offer the total lowest evaluated cost to the Employer, after considering all possible combination of lots, the Employer shall apply the following steps in sequence:

- (a) Step 1: Conduct preliminary evaluation to determine responsiveness of each bid with regards to terms of legal, eligibility and completeness to the requirements of the issued bidding document.
- (b) Step 2: Evaluate completeness and responsiveness of individual Mini-grids for each lot for which bids are submitted independently to determine substantial responsiveness to technical requirements and schedule of requirements for each mini grid.
- (c) Step 3: Evaluate financial proposal for supply and installation - Phase I plus operations and maintenance – Phase 2 - and apply any discounts or price reductions offered by the Bidder to the evaluated prices, if applicable.
- (d) Step 4: Award contract on the basis of the lowest evaluated bid price for Lot 1, Lot 2, Lot 3, Lot 4, Lot 5 and Lot 6 taking into account the composite bid analysis for all mini-grids in each lot.

All prices quoted by bidders for O&M Services will be evaluated using a Net Present Value (NPV) analysis. The discount rate (“r”) will be 8%. For simplicity, although the O&M payments to the contractor will be paid quarterly, the bidder will quote annual amounts for each of 7 Years of Operations and Maintenance (O&M) Services.

#### **Determination of the Evaluated Bid Price (EBP)**

The financial proposal of each bidder will include the following items:

- 1- Price for all items in the scope of bid: Design, supply and installation of the Mini grid SPGP and PDN: Supply and Installation Cost (**SIC**)
- 2- Annual price of Operation and Maintenance services (O&M Cost):

The O&M contract payments will be made as follows:

- (i) During first four years of the O&M period, 11.5% of the contract price will be paid yearly for O&M costs.
- (ii) 18% of the contract price shall be paid annually during the year 5 to 7 for O&M.

Therefore, the price quotation for the O&M should vary based on these ratios as indicated in price schedule No. 6. (The supply and installation (SIC) portion of the contract shall be paid upon completion of facilities certified by Project Manager through a progressive payment schedule as described in the PCC).

**The Evaluated Bid Price (EBP) to determine the lowest evaluated bid will be computed as:**

**EBP = SIC + NPV of O&M Cost, where:**

- NPV is the Net Present Value of the O&M Cost (over the 7 years of O&M.)
- SIC and O&M Cost are the values quoted by the bidders in their financial proposal;

Evaluated Bid price shall be calculated using the following method:

Total sum of:

|   | <b>STEPS</b>   | <b>Cost</b> |
|---|--|-------------|
|   | <b>For each mini-grid</b>  |             |
| 1 | Supply of Plant and Mandatory Spare Parts (SPGP, PDN, DG, and BESS) Supplied from Abroad (Schedule 1)                        | A1          |
| 2 | Supply of Plant and Mandatory Spare Parts (SPGP, PDN, DG, and BESS) Supplied from Within the Employer’s Country (Schedule 2) | A2          |
| 3 | Survey & Design services of SPGP, PDN, DG, and BESS (Schedule 3)   | A3          |
| 4 | Installation, commissioning and other services for SPGP, PDN, DG, and BESS (Schedule 4)                                      | A4          |

|   |  |    |
|---|--|----|
| 5 | Environmental, Social, Health and Safety (ESHS) Services (schedule 5)  | A5 |
| 6 | Net Present Value of annual fees for Operation and Maintenance (including supply and installation of all necessary replacement equipment and materials) of SPGP, PDN, DG, and BESS (Schedule 6) for 7 Years of Operations and Maintenance (O&M) Services, following commissioning, computed using 8% discount rate | A6 |
| 7 | Evaluated bid price of mini-grid (A1+A2+A3+A4+A5+A6)   | A7 |

In the event the successful bidder is not able to sign a contract with the employer the award shall be annulled and the employer may award to the next lowest evaluated bidder of that particular Lot whose offer is substantially responsive and is determined by the employer to be qualified to perform the contract satisfactorily.

2. Qualification

| Factor  | 1 Eligibility   |                       |                                     |                       |                      |   |
|---|---|-----------------------|-------------------------------------|-----------------------|----------------------|---|
| Sub-Factor  | Requirement   | Criteria              |                                     |                       |                      | Documentation Required                  |
|   |   | Single Entity         | Bidder                              |                       |                      |   |
|   |   |                       | Joint Venture(existing or intended) |                       |                      |   |
|   |   |                       | All members combined                | Each Partner          | At least one Partner |   |
| <b>1.1 Nationality</b>  | Nationality in accordance with ITB 4.4.   | Must meet requirement | must meet requirement               | Must meet requirement | N / A                | Form ELI –1.1 and 1.2, with attachments |
| <b>1.2 Conflict of Interest</b>   | No- conflicts of interests as described in ITB 4.2  | Must meet requirement | must meet requirement               | Must meet requirement | N / A                | Letter of Bid                           |
| <b>1.3 Bank Ineligibility</b>   | Not having been declared ineligible by the Bank as described in 4.5.  | Must meet requirement | must meet requirement               | Must meet requirement | N / A                | Letter of Bid                           |
| <b>1.4 State Owned Enterprise or Institution</b>  | Compliance with conditions of ITB 4.6   | Must meet requirement | Must meet requirement               | Must meet requirement | N / A                | Form ELI –1.1 and 1.2, with attachments |
| <b>1.5 Ineligibility based on a United Nations resolution or Borrower’s country law</b> | Not having been excluded as a result of the Borrower’s country laws or official regulations, or by an act of compliance with UN Security Council resolution, in accordance with ITB 4.8and Section V. | Must meet requirement | must meet requirement               | Must meet requirement | N / A                | Letter of Bid                           |

| Factor   | 2. Historical Contract Non-Performance   |   |                                      |                                    |                       |                        |
|--|--|---|--------------------------------------|------------------------------------|-----------------------|------------------------|
| Sub-Factor                                     | Criteria   |   |                                      |                                    |                       | Documentation Required |
|  | Requirement  | Bidder  |                                      |                                    |                       |                        |
|  |  | Single Entity   | Joint Venture (existing or intended) |                                    |                       |                        |
| All members combined                           |  |   | Each member                          | At least one member                |                       |                        |
| <b>2.1 History of non-performing contracts</b> | Non-performance <sup>1</sup> of a contract did not occur within the last five (5) years prior to the deadline for application submission, based on all information on fully settled disputes or litigation. A fully settled dispute or litigation is one that has been resolved in accordance with the Dispute Resolution Mechanism under the respective contract, and where all appeal instances available to the Bidder have been exhausted. | Must meet requirement by itself or as member to past or existing JV | N / A                                | Must meet requirement <sup>2</sup> | N / A                 | Form CON - 2           |
| <b>2.2 Suspension</b>                          | Not under suspension based on execution of a Bid Securing Declaration or Proposal Securing Declaration pursuant to ITB 4.7 and ITB 20.9  | Must meet requirement   | Must meet requirement                | Must meet requirement              | Must meet requirement | Letter of Bid          |
| <b>2.3 Pending Litigation</b>                  | 1.1.3 Bid's financial position and prospective long term profitability still sound according to criteria established in 3.1 below and assuming that all pending litigation will be resolved against the Bidder   | Must meet requirement   | N / A                                | Must meet requirement              | N / A                 | Form CON - 2           |
| <b>2.4 Litigation History</b>                  | No consistent history of court/arbitral award decisions against the Bidder <sup>3</sup> since 1 <sup>st</sup> January 2015<br>2.1.1  | Must meet requirement   | Must meet requirement                | Must meet requirement              | N/A                   | Form CON - 2           |

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<sup>1</sup> Nonperformance, as decided by the Employer, shall include all contracts where (a) nonperformance was not challenged by the contractor, including through referral to the dispute resolution mechanism under the respective contract, and (b) contracts that were so challenged but fully settled against the contractor. Nonperformance shall not include contracts where Employers decision was overruled by the dispute resolution mechanism. Nonperformance must be based on all information on fully settled disputes or litigation, i.e. dispute or litigation that has been resolved in accordance with the dispute resolution mechanism under the respective contract and where all appeal instances available to the Bidder have been exhausted.

<sup>2</sup> This requirement also applies to contracts executed by the Bidder as JV member.

<sup>3</sup> The Bidder shall provide accurate information on the related Letter of Bid about any litigation or arbitration resulting from contracts completed or ongoing under its execution over the last five years. A consistent history of awards against the Bidder or any member of a joint venture may result in failure of the Bid.

| Factor   | 2. Historical Contract Non-Performance   |  |                                      |   |       |   |
|--|--|--|--------------------------------------|---|-------|---|
| Sub-Factor   | Criteria   |  |                                      |   |       | Documentation Required                    |
|  | Requirement  | Bidder   |                                      |   |       |   |
|  |  | Single Entity  | Joint Venture (existing or intended) |   |       |   |
| All members combined   |  |  | Each member                          | At least one member   |       |   |
| <b>2.5 Declaration: Environmental and Social (ES) past performance</b> | Declare any contract that has been suspended or terminated and/or performance security called by an employer for reasons of breach of environmental, or social (including Sexual Exploitation, and Abuse) contractual obligations in the past five years. <sup>4</sup> | Must make the declaration. Where there are Specialized Subcontractor/s, the Specialized Subcontractor/s must also make the declaration.  | N/A                                  | Each must make the declaration. Where there are Specialized Subcontractor/s, the Specialized Subcontractor/s must also make the declaration.  | N/A   | Form CON-3 ES Performance Declaration     |
| <b>2.6 Forced Labor past performance declaration</b>                   | Declare any contracts that have been suspended or terminated, and/or other contractual remedies applied including calling of performance security by an employer, for reasons of breach of forced labor obligations in the past five years.                            | Must make the declaration. Where there are subcontractors, suppliers and/or manufacturers proposed by the bidder, the subcontractors, suppliers and/or manufacturers must also make the declaration. | N / A                                | Each must make the declaration. Where there are subcontractors, suppliers and/or manufacturers proposed by the bidder, the subcontractors, suppliers and/or manufacturers must also make the declaration. | N / A | Forced Labor Performance Declaration Form |

<sup>4</sup> The Employer may use this information to seek further information or clarifications in carrying out its due diligence.





| Factor                             | 3 Financial Situation   |                       |                                      |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
|------------------------------------|---|-----------------------|--------------------------------------|------------------------|-------|---------------------------------|-----|-------|-----|-------|-----|-------|-----|-------|-----|-----------------------|-----------------------|--|---|---------------|
| Sub-Factor                         | Criteria  |                       |                                      |                        |       | Documentati<br>on<br>Required   |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
|                                    | Requirement   | Bidder                |                                      |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
|                                    |   | Single<br>Entity      | Joint Venture (existing or intended) |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
| All<br>members<br>combined         |   |                       | Each<br>member                       | At least one<br>member |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
| <b>3.1 Financial Capabilities</b>  | Submission of audited balance sheets or if not required by the law of the Bidder's Country, other financial statements acceptable to the Employer, for the last five [5] years to demonstrate the current soundness of the Bidders financial position and its prospective long-term profitability.  | Must meet requirement | N / A                                | Must meet requirement  | N / A | Form FIN – 3.1 with attachments |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
| <b>3.2 Average Annual Turnover</b> | 3.3.1 Minimum average annual turnover of calculated as total certified payments received for contracts in progress or completed, within the last five (5) years<br><br><table border="1" data-bbox="474 930 978 1203"> <thead> <tr> <th data-bbox="474 930 716 1003">Lot</th> <th data-bbox="716 930 978 1003">Amount (Million USD)</th> </tr> </thead> <tbody> <tr> <td data-bbox="474 1003 716 1040">Lot 1</td> <td data-bbox="716 1003 978 1040">4.5</td> </tr> <tr> <td data-bbox="474 1040 716 1078">Lot 2</td> <td data-bbox="716 1040 978 1078">5.5</td> </tr> <tr> <td data-bbox="474 1078 716 1115">Lot 3</td> <td data-bbox="716 1078 978 1115">2.5</td> </tr> <tr> <td data-bbox="474 1115 716 1153">Lot 4</td> <td data-bbox="716 1115 978 1153">3.5</td> </tr> <tr> <td data-bbox="474 1153 716 1190">Lot 5</td> <td data-bbox="716 1153 978 1190">3.0</td> </tr> <tr> <td data-bbox="474 1190 716 1203">Lot 6</td> <td data-bbox="716 1190 978 1203">3.5</td> </tr> </tbody> </table> | Lot                   | Amount (Million USD)                 | Lot 1                  | 4.5   | Lot 2                           | 5.5 | Lot 3 | 2.5 | Lot 4 | 3.5 | Lot 5 | 3.0 | Lot 6 | 3.5 | Must meet requirement | Must meet requirement | Must meet at least Thirty percent (30%) of the requirement | Must meet at least Seventy percent (70%) of the requirement | Form FIN –3.2 |
| Lot                                | Amount (Million USD)  |                       |                                      |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
| Lot 1                              | 4.5   |                       |                                      |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
| Lot 2                              | 5.5   |                       |                                      |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
| Lot 3                              | 2.5   |                       |                                      |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
| Lot 4                              | 3.5   |                       |                                      |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
| Lot 5                              | 3.0   |                       |                                      |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |
| Lot 6                              | 3.5   |                       |                                      |                        |       |                                 |     |       |     |       |     |       |     |       |     |                       |                       |  |   |               |

| Factor                         | 3 Financial Situation   |                  |                                      |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
|--------------------------------|---|------------------|--------------------------------------|----------------|------------------------|-------------------------------|------|-------|------|-------|------|-------|------|-------|------|-----------------------|-----------------------|---|--|---------------|
| Sub-Factor                     | Criteria  |                  |                                      |                |                        | Documentati<br>on<br>Required |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
|                                | Requirement   | Single<br>Entity | Bidder                               |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
|                                |   |                  | Joint Venture (existing or intended) |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
|                                |   |                  | All<br>members<br>combined           | Each<br>member | At least one<br>member |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
| <b>3.3 Financial Resources</b> | <p>The Bidder must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet:</p> <p>(i) the following cash-flow requirement:</p> <table border="1" data-bbox="474 769 976 1052"> <thead> <tr> <th data-bbox="474 769 716 850">Lot</th> <th data-bbox="716 769 976 850">Amount (Million USD)</th> </tr> </thead> <tbody> <tr> <td data-bbox="474 850 716 883">Lot 1</td> <td data-bbox="716 850 976 883">1.00</td> </tr> <tr> <td data-bbox="474 883 716 915">Lot 2</td> <td data-bbox="716 883 976 915">1.00</td> </tr> <tr> <td data-bbox="474 915 716 948">Lot 3</td> <td data-bbox="716 915 976 948">0.50</td> </tr> <tr> <td data-bbox="474 948 716 980">Lot 4</td> <td data-bbox="716 948 976 980">0.75</td> </tr> <tr> <td data-bbox="474 980 716 1013">Lot 5</td> <td data-bbox="716 980 976 1013">0.70</td> </tr> <tr> <td data-bbox="474 1013 716 1052">Lot 6</td> <td data-bbox="716 1013 976 1052">0.75</td> </tr> </tbody> </table> <p>and</p> <p>(ii) the overall cash flow requirements for this contract and its current commitments.</p> | Lot              | Amount (Million USD)                 | Lot 1          | 1.00                   | Lot 2                         | 1.00 | Lot 3 | 0.50 | Lot 4 | 0.75 | Lot 5 | 0.70 | Lot 6 | 0.75 | Must meet requirement | Must meet requirement | Must meet Thirty percent (30%) of the requirement | Must meet Seventy percent (70%) of the requirement | Form FIN -3.3 |
| Lot                            | Amount (Million USD)  |                  |                                      |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
| Lot 1                          | 1.00  |                  |                                      |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
| Lot 2                          | 1.00  |                  |                                      |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
| Lot 3                          | 0.50  |                  |                                      |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
| Lot 4                          | 0.75  |                  |                                      |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
| Lot 5                          | 0.70  |                  |                                      |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |
| Lot 6                          | 0.75  |                  |                                      |                |                        |                               |      |       |      |       |      |       |      |       |      |                       |                       |   |  |               |

| Factor                     |  | 4 Experience                                 |                                      |  |                       |                 | Documentati<br>on<br>Required |  |  |  |  |  |
|----------------------------|--|--|--------------------------------------|--|-----------------------|-----------------|-------------------------------|--|--|--|--|--|
| Sub-Factor                 | Requirement  | Criteria                                     |                                      |  |                       |                 |                               |  |  |  |  |  |
|                            |  | Single<br>Entity                             | Bidder                               |  |                       |                 |                               |  |  |  |  |  |
|                            |  |  | Joint Venture (existing or intended) |  |                       |                 |                               |  |  |  |  |  |
| All members<br>combined    | Each<br>member   | At least one<br>member                       |                                      |  |                       |                 |                               |  |  |  |  |  |
| 4.1 General Experience     | 4.1.1 Experience in <i>solar energy</i> under contracts in the role of <i>contractor</i> , subcontractor, or management contractor for at least the last 7 years starting 1 <sup>st</sup> January 2016.  | Must meet requirement                        | Must meet requirement                | N / A  | Must meet requirement | Form EXP-4.1    |                               |  |  |  |  |  |
| 4.2(a) Specific Experience | 4.2.1 (a) Participation as contractor, joint venture member <sup>5</sup> , management contractor, or subcontractor, in at least one (1) or two (2) contracts within the last Seven (7) years, each with a value of at least the amount shown below, that have been successfully and substantially <sup>6</sup> completed and that are similar to the proposed Plant and Installation Services. | Must meet requirement                        | Must meet requirements <sup>7</sup>  | N / A  | N/A                   | Form EXP 4.2(a) |                               |  |  |  |  |  |
|                            | <table border="1"> <thead> <tr> <th>Mini-Grid Lot</th> <th>Number of contracts</th> <th>Minimum value of the contracts (Million USD)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>  | Mini-Grid Lot                                | Number of contracts                  | Minimum value of the contracts (Million USD) |                       |                 |                               |  |  |  |  |  |
| Mini-Grid Lot              | Number of contracts  | Minimum value of the contracts (Million USD) |                                      |  |                       |                 |                               |  |  |  |  |  |
|                            |  |  |                                      |  |                       |                 |                               |  |  |  |  |  |

<sup>5</sup> For contracts under which the Bidder participated as a joint venture member or sub-contractor, only the Bidder’s share, by value, shall be considered to meet this requirement

<sup>6</sup> Substantial completion shall be based on 80% or more Plant and installation completed under the contract.

<sup>7</sup> In the case of JV, the value of contracts completed by its members shall not be aggregated to determine whether the requirement of the minimum value of a single contract has been met. Instead, each contract performed by each member shall satisfy the minimum value of a single contract as required for single entity. In determining whether the JV meets the requirement of total number of contracts, only the number of contracts completed by all members each of value equal or more than the minimum value required shall be aggregated.

| Factor   | 4 Experience |                  |                                      |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
|--|--------------|------------------|--------------------------------------|----------------|------------------------|--|-------------------------------|--|---|-----|--|--|--|--|--|-------|---|-----|--|--|--|--|--|--|--|--|---|-----|--|--|--|-------|---|-----|--|--|--|--|--|--|--|--|---|-----|--|--|--|-------|---|-----|--|--|--|--|--|--|--|--|---|-----|--|--|--|-------|---|-----|--|--|--|--|--|--|--|--|---|-----|--|--|--|-------|---|-----|--|--|--|--|--|--|--|--|---|-----|--|--|--|-------|---|-----|--|--|--|--|--|
| Sub-Factor   | Criteria     |                  |                                      |                |                        |  | Documentati<br>on<br>Required |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
|  | Requirement  | Bidder           |                                      |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
|  |              | Single<br>Entity | Joint Venture (existing or intended) |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
|  |              |                  | All members<br>combined              | Each<br>member | At least one<br>member |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 10%; text-align: center;">1</td> <td style="width: 10%; text-align: center;">0.4</td> <td colspan="5"></td> </tr> <tr> <td style="text-align: center;">Lot 1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">0.4</td> <td colspan="5"></td> </tr> <tr> <td colspan="3"></td> <td style="text-align: center;">1</td> <td style="text-align: center;">0.4</td> <td colspan="3"></td> </tr> <tr> <td style="text-align: center;">Lot 2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">0.4</td> <td colspan="5"></td> </tr> <tr> <td colspan="3"></td> <td style="text-align: center;">1</td> <td style="text-align: center;">0.3</td> <td colspan="3"></td> </tr> <tr> <td style="text-align: center;">Lot 3</td> <td style="text-align: center;">2</td> <td style="text-align: center;">0.3</td> <td colspan="5"></td> </tr> <tr> <td colspan="3"></td> <td style="text-align: center;">1</td> <td style="text-align: center;">0.4</td> <td colspan="3"></td> </tr> <tr> <td style="text-align: center;">Lot 4</td> <td style="text-align: center;">2</td> <td style="text-align: center;">0.4</td> <td colspan="5"></td> </tr> <tr> <td colspan="3"></td> <td style="text-align: center;">1</td> <td style="text-align: center;">0.5</td> <td colspan="3"></td> </tr> <tr> <td style="text-align: center;">Lot 5</td> <td style="text-align: center;">2</td> <td style="text-align: center;">0.5</td> <td colspan="5"></td> </tr> <tr> <td colspan="3"></td> <td style="text-align: center;">1</td> <td style="text-align: center;">0.5</td> <td colspan="3"></td> </tr> <tr> <td style="text-align: center;">Lot 6</td> <td style="text-align: center;">2</td> <td style="text-align: center;">0.5</td> <td colspan="5"></td> </tr> </table> <p>The similarity of the contracts shall be based on the physical size, complexity, methods/technology or other characteristics as described in Section VII, Employer's Requirements.</p> <p>Note: Similar contracts should include design, supply, installation and commissioning of Solar PV power plants/ Solar grids tied/ Stand Alone Solar systems and Solar Mini-grids.</p> |              |                  |                                      |                |                        |  |                               |  | 1 | 0.4 |  |  |  |  |  | Lot 1 | 2 | 0.4 |  |  |  |  |  |  |  |  | 1 | 0.4 |  |  |  | Lot 2 | 2 | 0.4 |  |  |  |  |  |  |  |  | 1 | 0.3 |  |  |  | Lot 3 | 2 | 0.3 |  |  |  |  |  |  |  |  | 1 | 0.4 |  |  |  | Lot 4 | 2 | 0.4 |  |  |  |  |  |  |  |  | 1 | 0.5 |  |  |  | Lot 5 | 2 | 0.5 |  |  |  |  |  |  |  |  | 1 | 0.5 |  |  |  | Lot 6 | 2 | 0.5 |  |  |  |  |  |
|  | 1            | 0.4              |                                      |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
| Lot 1  | 2            | 0.4              |                                      |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
|  |              |                  | 1                                    | 0.4            |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
| Lot 2  | 2            | 0.4              |                                      |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
|  |              |                  | 1                                    | 0.3            |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
| Lot 3  | 2            | 0.3              |                                      |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
|  |              |                  | 1                                    | 0.4            |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
| Lot 4  | 2            | 0.4              |                                      |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
|  |              |                  | 1                                    | 0.5            |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
| Lot 5  | 2            | 0.5              |                                      |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
|  |              |                  | 1                                    | 0.5            |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |
| Lot 6  | 2            | 0.5              |                                      |                |                        |  |                               |  |   |     |  |  |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |  |  |  |   |     |  |  |  |       |   |     |  |  |  |  |  |

|  |   |                               |   |              |            |                        |
|--|---|-------------------------------|---|--------------|------------|------------------------|
| <p><b>4.2(b) Specific Experience</b></p> | <p>(b) For the above and any other contracts completed and under implementation as prime contractor, joint venture member, management contractor or sub-contractor on or after the first day of the calendar year during the period stipulated in 4.2 (a) above, a minimum construction experience in the following key activities successfully completed <b>in any one (1) year.</b></p> <p><b>For Award of Lot 1</b><br/>The contractor must have been involved in design, supply, installation and commissioning of at least 2 Solar Mini grids each with a minimum capacity of at least 30kWp in multiple sites and in different geographical locations and must have been in satisfactory operation for at least <b>Twelve (12)</b> months from the date of commissioning.</p> <p><b>For Award of Lot 2</b><br/>The contractor must have been involved in design, supply, installation and commissioning of at least 2 Solar Mini grids each with a minimum capacity of at least 30kWp in multiple sites and in different geographical locations and must have been in satisfactory operation for at least <b>Twelve (12)</b> months from the date of commissioning.</p> | <p>Must meet requirements</p> | <p>Must meet requirements<sup>8</sup></p> | <p>N / A</p> | <p>N/A</p> | <p>Form EXP-4.2(b)</p> |
|--|---|-------------------------------|---|--------------|------------|------------------------|

| Factor     | 4 Experience  |                  |                                      |                |                        |                               |  |  |
|------------|---|------------------|--------------------------------------|----------------|------------------------|-------------------------------|--|--|
| Sub-Factor | Criteria  |                  |                                      |                |                        | Documentati<br>on<br>Required |  |  |
|            | Requirement   | Bidder           |                                      |                |                        |                               |  |  |
|            |   | Single<br>Entity | Joint Venture (existing or intended) |                |                        |                               |  |  |
|            |   |                  | All members<br>combined              | Each<br>member | At least one<br>member |                               |  |  |
|            | <p><b>For Award of Lot 3</b><br/>The contractor must have been involved in design, supply, installation and commissioning of at least 2 Solar Mini grids each with a minimum capacity of at least 30kWp in multiple sites and in different geographical locations and must have been in satisfactory operation for at least <b>Twelve (12)</b> months from the date of commissioning.</p> <p><b>For Award of Lot 4</b><br/>The contractor must have been involved in design, supply, installation and commissioning of at least 2 Solar Mini grids each with a minimum capacity of at least 30kWp in multiple sites and in different geographical locations and must have been in satisfactory operation for at least <b>Twelve (12)</b> months from the date of commissioning.</p> |                  |                                      |                |                        |                               |  |  |

<sup>8</sup> In the case of JV, the value of contracts completed by its members shall not be aggregated to determine whether the requirement of the minimum value of a single contract has been met. Instead, each contract performed by each member shall satisfy the minimum value of a single contract as required for single entity. In determining whether the JV meets the requirement of total number of contracts, only the number of contracts completed by all members each of value equal or more than the minimum value required shall be aggregated.

| Factor     | 4 Experience  |                  |                                      |                |                        |                               |
|------------|---|------------------|--------------------------------------|----------------|------------------------|-------------------------------|
| Sub-Factor | Criteria  |                  |                                      |                |                        | Documentati<br>on<br>Required |
|            | Requirement   | Bidder           |                                      |                |                        |                               |
|            |   | Single<br>Entity | Joint Venture (existing or intended) |                |                        |                               |
|            |   |                  | All members<br>combined              | Each<br>member | At least one<br>member |                               |
|            | <p><b>For Award of Lot 5</b><br/>The contractor must have been involved in design, supply, installation and commissioning of at least 2 Solar Mini grids each with a minimum capacity of at least 30kWp in multiple sites and in different geographical locations and must have been in satisfactory operation for at least <b>Twelve (12)</b> months from the date of commissioning.</p> <p><b>For Award of Lot 6</b><br/>The contractor must have been involved in design, supply, installation and commissioning of at least 2 Solar Mini grids each with a minimum capacity of at least 30kWp in multiple sites and in different geographical locations and must have been in satisfactory operation for at least <b>Twelve (12)</b> months from the date of commissioning.</p> |                  |                                      |                |                        |                               |

| Factor         | 4 Experience  |                        |                                      |                |                        |                               |
|----------------|---|------------------------|--------------------------------------|----------------|------------------------|-------------------------------|
| Sub-Factor     | Criteria  |                        |                                      |                |                        | Documentati<br>on<br>Required |
|                | Requirement   | Single<br>Entity       | Bidder                               |                |                        |                               |
|                |   |                        | Joint Venture (existing or intended) |                |                        |                               |
|                |   |                        | All members<br>combined              | Each<br>member | At least one<br>member |                               |
| <b>4.2 (c)</b> | <p>For the contracts in 4.2 (a) above and/or any other contracts [substantially completed and under implementation] as prime contractor, joint venture member, or Subcontractor between 1st January 2016 and Application submission deadline, experience in managing ES risks and impacts in the following aspects:</p> <p>The contractor must have been involved in at least 1 solar project with environmental and social risk management actions by the contractor.</p> <p>Copy of the Construction ESMPs produced by the contractor shall be submitted.</p> | Must meet requirements | Must meet requirements               | N/A            | N/A                    | Form EXP – 4.2 (c)            |

**Note: 1. [For Multiple lots (contracts) specify financial and experience criteria for each lot under Sub-Factors 3.1, 3.2, 4.2(a) and 4.2(b)]**

**2. For Multiple Contracts (2 or more lots – see BDS, ITB 1.1), the criteria for qualification are the cumulative minimum requirements for respective lots under items 3.1, 3.2, 4.2 (a) and 4.2 (b).**



## 2.5 Contractor’s Representative and other Key Personnel per Lot

The Bidder must demonstrate that they will have suitably qualified Contractor’s Representative and other suitably qualified (and in adequate numbers) key personnel per lot, as described in the Specification.

The Bidder shall provide details of the Contractor’s Representative and other key personnel per lot that the Bidder considers appropriate to perform the Contract, together with their academic qualifications and work experience. The Bidder shall complete the relevant Forms in Section IV, Bidding Forms.

| Item No. | Position/ Specialization                                  | Relevant academic qualifications   | Number of Personnel | Minimum General work experience (years) | Minimum Specific work experience (years) |
|----------|---|--|---------------------|---|--|
| 1.       | Resident Project Manager                                  | <i>Degree in Electrical or Mechanical Engineering or Renewable Energy. Professional Engineer (EBK)</i>   | 1                   | 10                                      | 5  |
| 2.       | Resident Construction Engineer                            | <i>Degree/Higher National Diploma in Civil Engineering Registered with the relevant body</i>   | 1                   | 7                                       | 4  |
| 3.       | Design Engineer   | <i>Degree in Electrical/Mechanical Engineering. Graduate Engineer (EBK) Energy and Energy &amp; Petroleum Regulatory Authority (EPRA) Solar PV System Class T3 license or equivalent</i> | 1                   | 7                                       | 4 (In solar projects)                    |
| 4.       | Resident Solar PV Specialist                              | <i>Degree in Electrical /Mechanical/ Renewable Energy and Energy &amp; Petroleum Regulatory Authority (EPRA) Solar PV System Class T3 license or equivalent</i>                          | 1                   | 7                                       | 4  |
| 5.       | Power Distribution Engineer                               | <i>Degree or Higher National Diploma in Electrical Registered with the relevant body</i>   | 1                   | 7                                       | 4  |
| 6.       | Environmental Social, Health and Safety (ESHS) specialist | <i>Environmental/ Safety/Health /Social sciences or other relevant Degree</i>  | 1                   | 5                                       | 3  |

## 2.6 Equipment

The Bidder must demonstrate that it will have access to the key Contractor's equipment listed hereafter:

| No. | Equipment Type and Characteristics   | Minimum Number required         |
|-----|--|---------------------------------|
| 1   | 5 Ton Crane  | 1 crane per lot.                |
| 2   | Forklift   | 1 Forklift per lot.             |
| 3   | Licensed Solar PV Design Software (capable of designing a minigrid)                                      | One license (bidder to specify) |
| 4   | Construction Tools (List and provide details in the relevant form in section iv)                         |                                 |
|     | <ul style="list-style-type: none"> <li>• Portable earthing equipment</li> </ul>                          | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Auto-range voltage indicator</li> </ul>                         | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Phasing voltmeter tester</li> </ul>                             | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Hotstick tester</li> </ul>                                      | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Phasing tester</li> </ul>                                       | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Phase rotation tester</li> </ul>                                | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Insulation resistance test set</li> </ul>                       | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Earth resistance test set (electronic)</li> </ul>               | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Digital multimeter</li> </ul>                                   | One per technician              |
|     | <ul style="list-style-type: none"> <li>• Digital clamp on meter</li> </ul>                               | One per technician              |
|     | <ul style="list-style-type: none"> <li>• Cable height meter</li> </ul>                                   | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Polarity tester/ earth leakage meter</li> </ul>                 | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Voltage tester</li> </ul>                                       | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Climbers/ safety belts and other PPEs</li> </ul>                | One set per site                |
|     | <ul style="list-style-type: none"> <li>• Link stick</li> </ul>   | One per site                    |
| 5   | Licensed CAD software  | One license (bidder to specify) |
| 6   | Appropriate hand-held digital equipment with capacity to pick coordinates for meter validation (e.g GPS) | One per technician              |
| 7   | Compressors and jack hammers   | One per Lot                     |
| 8   | Solar tools  |                                 |
|     | <ul style="list-style-type: none"> <li>• Tool box ( Solar PV technician tool box)</li> </ul>             | One per site                    |
|     | <ul style="list-style-type: none"> <li>• IR thermometer</li> </ul>                                       | One per site                    |
|     | <ul style="list-style-type: none"> <li>• IV curve tracer /analyser kit</li> </ul>                        | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Battery capacity tester</li> </ul>                              | One per site                    |
|     | <ul style="list-style-type: none"> <li>• Loop impedance tester</li> </ul>                                | One per site                    |

|  |                                |                        |
|--|--------------------------------|------------------------|
|  | • Insulation resistance tester | One per site           |
|  | • Cordless drill               | One per site           |
|  | • Electric hand air blower     | One per site           |
|  | • PPE and safety gear          | One set per technician |
|  | • Pyranometer                  | One per lot            |
|  | • PV testing kit               | One per site           |

The Bidder shall provide further details of proposed items of equipment using the relevant Form in Section IV.

In the case of a Bidder who offers to supply and install major items of supply under the contract that the Bidder did not manufacture or otherwise produce, the Bidder shall provide the manufacturer's authorization and warranty using the forms provided in Section IV, showing that the Bidder has been duly authorized by the manufacturer or producer of the related plant and equipment or component to supply and install that item in the Employer's Country. The Bidder is responsible for ensuring that the manufacturer or producer complies with the requirements of ITB 4 and 5 and meets the minimum criteria listed above for that item.

## Section IV - Bidding Forms

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## Letter of Bid

INSTRUCTIONS TO BIDDERS: DELETE THIS BOX ONCE YOU HAVE COMPLETED THE DOCUMENT

*The Bidder must prepare this Letter of Bid on stationery with its letterhead clearly showing the Bidder's complete name and business address.*

*Note: All italicized text is to help Bidders in preparing this form.*

**Date of this Bid submission:** *[insert date (as day, month and year) of Bid submission]*

**RFB No.:** *[insert number of RFB process]*

**Alternative No.:** *[insert identification No if this is a Bid for an alternative]*

To: ***[insert complete name of Employer]***

We, the undersigned, declare that:

- (a) **No reservations:** We have examined and have no reservations to the bidding document, including Addenda issued in accordance with ITB 8;
- (b) **Eligibility:** We meet the eligibility requirements and have no conflict of interest in accordance with ITB 4;
- (c) **Bid-Securing Declaration:** We have not been suspended nor declared ineligible by the Employer based on execution of a Bid Securing Declaration or Proposal-Securing Declaration in the Employer's Country in accordance with ITB 4.7;
- (d) **Conformity:** We offer to provide design, supply and installation services in conformity with the bidding document of the following: *[insert a brief description of the Plant, Design, Supply and Installation Services]*;
- (e) **Bid Price:** The total price of our Bid, excluding any discounts offered in item (f) below is: *[Insert one of the options below as appropriate]*

Option 1, in case of one lot:

Lot No: \_\_\_\_\_

(i) Price Phase 1 - Supply and Installation is: [insert the total price of the Bid in words and figures, indicating the various amounts and the respective currencies];

(ii) Price Phase 2 - Operations and Maintenance is: [insert the total price of the Bid in words and figures, indicating the various amounts and the respective currencies];

Total price is: [insert the total price of the Bid in words and figures, indicating the various amounts and the respective currencies];

Or

Option 2, in case of multiple lots: **Total price of each lot:**

Lot No: \_\_\_\_\_

(i) Price Phase 1 - Supply and Installation is: [insert the total price of the Bid in words and figures, indicating the various amounts and the respective currencies];

(ii) Price Phase 2 - Operations and Maintenance is: [insert the total price of the Bid in words and figures, indicating the various amounts and the respective currencies];

(iii) Total price is: [insert the total price of the Bid in words and figures, indicating the various amounts and the respective currencies];

Note: The above (option 2) shall be repeated for each respective lot.

(f) **Discounts:** The discounts offered and the methodology for their application are:

(i) The discounts offered are: [Specify in detail each discount offered.]

(ii) The exact method of calculations to determine the net price after application of discounts is shown below: [Specify in detail the method that shall be used to apply the discounts];

- (g) **Bid Validity:** Our Bid shall be valid until *[insert day, month and year in accordance with ITB 19.1]*, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (h) **Performance Security:** If our Bid is accepted, we commit to obtain a Performance Security in accordance with the bidding document;
- (i) **One Bid Per Bidder:** We are not submitting any other Bid(s) as an individual Bidder, and we are not participating in any other Bid(s) as a Joint Venture member, and meet the requirements of ITB 4.3, other than alternative Bids submitted in accordance with ITB 13;
- (j) **Suspension and Debarment:** We, along with any of our subcontractors, suppliers, consultants, manufacturers, or service providers for any part of the contract, are not subject to, and not controlled by any entity or individual that is subject to, a temporary suspension or a debarment imposed by the World Bank Group or a debarment imposed by the World Bank Group in accordance with the Agreement for Mutual Enforcement of Debarment Decisions between the World Bank and other development banks. Further, we are not ineligible under the Employer’s Country laws or official regulations or pursuant to a decision of the United Nations Security Council;
- (k) **State-owned enterprise or institution:** *[select the appropriate option and delete the other]* *[We are not a state-owned enterprise or institution]* / *[We are a state-owned enterprise or institution but meet the requirements of ITB 4.6];*
- (l) **Commissions, gratuities and fees:** We have paid, or will pay the following commissions, gratuities, or fees with respect to the Bidding process or execution of the Contract: *[insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity]*

| Name of Recipient | Address | Reason | Amount |
|-------------------|---------|--------|--------|
|                   |         |        |        |
|                   |         |        |        |
|                   |         |        |        |
|                   |         |        |        |

*(If none has been paid or is to be paid, indicate “none.”)*

- (m) **Binding Contract:** We understand that this Bid, together with your written acceptance thereof included in your Letter of Acceptance, shall constitute a binding contract between us, until a formal contract is prepared and executed;



- (n) **Not Bound to Accept:** We understand that you are not bound to accept the lowest evaluated cost Bid, the Most Advantageous Bid or any other Bid that you may receive; and
- (o) **Fraud and Corruption:** We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf engages in any type of Fraud and Corruption.

**Name of the Bidder:** \*[insert name of the Bidder]

**Name of the person duly authorized to sign the Bid on behalf of the Bidder:** \*\*[insert complete name of person duly authorized to sign the Bid]

**Title of the person signing the Bid:** [insert complete title of the person signing the Bid]

**Signature of the person named above:** [insert signature of person whose name and capacity are shown above]

**Date signed** [insert date of signing] **day of** [insert month], [insert year]

\*: In the case of the Bid submitted by joint venture specify the name of the Joint Venture as Bidder

\*\* : Person signing the Bid shall have the power of attorney given by the Bidder to be attached with the Bid

## Schedule of Rates and Prices

### Schedule No. 1. Plant and Mandatory Spare Parts Supplied from Abroad

| Item                                     | Description | Code <sup>1</sup> |  | Qty.  | Unit Price <sup>2</sup> |            | Total Price <sup>2</sup> |
|--|-------------|-------------------|--|---|-------------------------|------------|--------------------------|
|  |             |                   |  |   |                         | <i>CIP</i> |                          |
|  |             |                   |  | <i>(1)</i>  | <i>(2)</i>              | <i>(3)</i> | <i>(1) x (3)</i>         |
|  |             |                   |  |   |                         |            |                          |
| TOTAL (to Schedule No. 5. Grand Summary) |             |                   |  |   |                         |            |                          |
|  |             |                   |  | Name of Bidder _____<br>Signature of Bidder _____ |                         |            |                          |

<sup>1</sup> Bidders shall enter a code representing the country of origin of all imported plant and equipment.

<sup>2</sup> Specify currency. Create and use as many columns for Unit Price and Total Price as there are currencies.

---

## Country of Origin Declaration Form

| Item | Description | Code | Country |
|------|-------------|------|---------|
|      |             |      |         |

**Schedule No. 2. Plant and Mandatory Spare Parts Supplied from  
Within the Employer's Country**

| Item   | Description | Qty.       | EXW Unit Price <sup>1</sup> | Sales and other taxes payable per line item if Contract is awarded (in accordance with ITB 17.5 (b) (ii)) | EXW Total Price <sup>1</sup> |
|--|-------------|------------|-----------------------------|---|------------------------------|
|  |             | <i>(1)</i> | <i>(2)</i>                  | <i>(3)</i>  | <i>(1) x (2)</i>             |
| <b>TOTAL (to Schedule No. 5. Grand Summary)</b>  |             |            |                             |   |                              |
| <div style="text-align: right; margin-right: 50px;"> Name of Bidder _____<br/><br/> Signature of Bidder _____ </div> |             |            |                             |   |                              |

<sup>1</sup> Specify currency in accordance with specifications in Bid Data Sheet under ITB 18.1

### Schedule No. 3. Design Services

| Item                                     | Description | Qty.<br><br>(1) | Unit Price <sup>1</sup>              |  | Total Price <sup>1</sup><br><br>(1) x (2) |
|--|-------------|-----------------|--------------------------------------|--|---|
|  |             |                 | Local Currency<br>Portion<br><br>(2) | Foreign Currency<br>Portion<br><br><i>(optional)</i> |   |
|  |             |                 |                                      |  |   |
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|  |             |                 |                                      |  |   |
|  |             |                 |                                      |  |   |
|  |             |                 |                                      |  |   |
| TOTAL (to Schedule No. 5. Grand Summary) |             |                 |                                      |  |   |

Name of Bidder \_\_\_\_\_

Signature of Bidder \_\_\_\_\_

## Schedule No. 4. Installation and Other Services

| Item                                     | Description | Qty. | Unit Price <sup>1</sup>        |                              | Total Price <sup>1</sup> |           |
|--|-------------|------|--------------------------------|------------------------------|--------------------------|-----------|
|  |             |      | Foreign<br>Currency<br>Portion | Local<br>Currency<br>Portion | Foreign                  | Local     |
|  |             | (1)  | (2)                            | (3)                          | (1) x (2)                | (1) x (3) |
|  |             |      |                                |                              |                          |           |
|  |             |      |                                |                              |                          |           |
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|  |             |      |                                |                              |                          |           |
|  |             |      |                                |                              |                          |           |
|  |             |      |                                |                              |                          |           |
| TOTAL (to Schedule No. 5. Grand Summary) |             |      |                                |                              |                          |           |

Name of Bidder \_\_\_\_\_

  

Signature of Bidder \_\_\_\_\_

<sup>1</sup> Specify currency in accordance with ITB 18

## Schedule No. 5. Grand Summary

| Item | Description  | Total Price <sup>1</sup> |       |
|------|--|--------------------------|-------|
|      |  | Foreign                  | Local |
|      | Total Schedule No. 1. Plant, and Mandatory Spare Parts Supplied from Abroad                        |                          |       |
|      | Total Schedule No. 2. Plant, and Mandatory Spare Parts Supplied from Within the Employer's Country |                          |       |
|      | Total Schedule No. 3. Design Services  |                          |       |
|      | Total Schedule No. 4. Installation and Other Services  |                          |       |
|      | <b>TOTAL (to Letter of Bid)</b>  |                          |       |

|  |   |
|--|---|
|  | <p style="text-align: right;">Name of Bidder _____</p><br><p style="text-align: right;">Signature of Bidder _____</p> |
|--|---|

<sup>1</sup>Specify currency in accordance with ITB 18. Create and use as many columns for Foreign Currency requirement as there are foreign currencies



## Schedule No. 6. Recommended Spare Parts

| Item | Description | Qty.<br><br>(1) | Unit Price                               |                                 | Total Price<br><br>(1) x (2) or (3) |
|------|-------------|-----------------|--|---------------------------------|-------------------------------------|
|      |             |                 | CIF or CIP<br>(foreign parts)<br><br>(2) | EXW<br>(local parts)<br><br>(3) |                                     |
|      |             |                 |  |                                 |                                     |
|      |             |                 |  |                                 |                                     |
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|      |             |                 |  |                                 |                                     |
|      |             |                 |  |                                 |                                     |
|      |             |                 |  |                                 |                                     |

Name of Bidder \_\_\_\_\_

Signature of Bidder \_\_\_\_\_

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## Price Adjustment

Where the Contract Period (excluding the Defects Liability Period) exceeds twelve (12) months, it is normal procedure that prices payable to the Contractor shall be subject to adjustment during the performance of the Contract to reflect changes occurring in the cost of labor and material components. In such cases the bidding document shall include in this form a formula of the following general type, pursuant to PCC Sub-Clause 11.2.

Where Contracts are of a shorter duration than twelve (12) months or in cases where there is to be no Price Adjustment, the following provision shall not be included. Instead, it shall be indicated under this form that the prices are to remain firm and fixed for the duration of the Contract.

### **Sample Price Adjustment Formula**

If in accordance with GCC 11.2, prices shall be adjustable, the following method shall be used to calculate the price adjustment:

Prices payable to the Contractor, in accordance with the Contract, shall be subject to adjustment during performance of the Contract to reflect changes in the cost of labor and material components, in accordance with the following formula:

$$P_1 = P_0 \times \left( a + b \frac{L_1}{L_0} + c \frac{M_1}{M_0} \right) - P_0$$

in which:

$P_1$  = adjustment amount payable to the Contractor

$P_0$  = Contract price (base price)

$a$  = percentage of fixed element in Contract price ( $a = \%$ )

$b$  = percentage of labor component in Contract price ( $b = \%$ )

$c$  = percentage of material and equipment component in Contract price ( $c = \%$ )

$L_0, L_1$  = labor indices applicable to the appropriate industry in the country of origin on the base date and the date for adjustment, respectively

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$M_0, M_1 =$  material and equipment indices in the country of origin on the base date and the date for adjustment, respectively

N.B.  $a+b+c= 100\%$ .

### Conditions Applicable To Price Adjustment

The Bidder shall indicate the source of labor, source of exchange rate and materials indices and the base date indices in its bid.

| <u>Item</u> | <u>Source of Indices Used</u> | <u>Base Date Indices</u> |
|-------------|-------------------------------|--------------------------|
|-------------|-------------------------------|--------------------------|

The base date shall be the date thirty (30) days prior to the Bid closing date.

The date of adjustment shall be the mid-point of the period of manufacture or installation of component or Plant.

The following conditions shall apply:

(a) Phase 1: Supply & Installation

The prices/costs quoted by the Bidder shall be fixed and not be subject to adjustment during the performance of the Contract.

(b) Phase 2: Operations & Maintenance

The prices/costs quoted by the Bidder shall be subject to adjustment during the performance of the Contract.

(c) No price adjustment shall be payable on the portion of the Contract price paid to the Contractor as an advance payment.

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## Technical Proposal

Technical proposal shall consist of the documents listed below, that shall be submitted with the bid.

- a) Site Organization chart/ organogram
- b) Method Statement / work methodology
- c) Implementation schedule comprising; mobilization program, manufacturing program and construction schedule with start and finish dates.
- d) Management Strategies and Implementation Plans (MSIP) to manage the (ES) risks
- e) Code of Conduct for Contractor's Personnel (ES)
- f) Grievance Redress Mechanism (GRM)
- g) Contractor's Equipment
- h) Personnel
- i) Proposed Subcontractors for Major Items of Plant and Installation Services

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## Site Organization Chart

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## Method Statement/ work methodology

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## Implementation Schedule

Implementation schedule comprising; mobilization program, manufacturing program and construction schedule with start and finish dates.

The Bidder shall set out a detailed mobilization program and construction of the Works to be performed, including estimated starting and finishing dates for individual components and identification of major milestones and critical path. The proposed Schedule shall be developed according to Works Requirements and shall include the following:

- (a) Details of the proposed schedule for obtaining permits that may be necessary in order to commence the Works, including the preparation of required studies.
- (b) Details of the proposed timeline for carrying out the Works within the Time for Completion (including progress reports), in the form of a chart showing notably the critical path.
- (c) Details of the proposed timeline for the installation, testing, commissioning and start of O&M.

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## **Management Strategies and Implementation Plans (MSIP) to manage (ES) risks**

The Bidder shall submit comprehensive and concise Environmental and Social Management Strategies and Implementation Plans (ES-MSIP) as required by ITB 11.1 (j) of the Bid Data Sheet. These strategies and plans shall describe in detail the actions, materials, equipment, management processes etc. that will be implemented by the Contractor, and its subcontractors.

In developing these strategies and plans, the Bidder shall have regard to the ES provisions of the contract including those as may be more fully described in the Employer's Requirements in Section VII.

The Bidder shall submit the following Management Strategies and Implementation Plans (MSIP) to manage all the Environmental, Social, Health and Safety (ES) risks;

- 1) The Construction and Community Health and Safety Management Plans to ensure the safety all construction workers and the project host local communities from construction hazards;
- 2) Environmental and Social Management Plans to safeguard against environmental pollution and construction induced social impacts;
- 3) HR and Labour Influx Management Plans to help manage all the related social impact
- 4) Sexual Exploitation, and Abuse (SEA) prevention and response action plan
- 5) Stakeholder Engagement Plan to help guide communication with all stakeholders including engagement with, and inclusion of the project affected persons (PAPs), the Vulnerable and Marginalised Groups (VMGs/IPs) as defined by the World Bank's Operational Policy 4.10 (OP 4.10) to maintain the required social capital to implement the project and to ensure that VMGs are included in project benefits.

The Bidder shall submit a Stakeholder Engagement Plan that details:

- How the various stakeholders including VMGs will be identified and categorized;
- The consultation and communication plan for each stakeholder category;
- How VMGs will be informed of, and included in project benefits such as employment opportunities etc;
- How the views of stakeholders, especially VMGs will be taken into account in project implementation.



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## Code of Conduct for Contractor's Personnel (ES) Form

**Note to the Bidder:**

**The minimum content of the Code of Conduct form as set out by the Employer shall not be substantially modified.** However, the Bidder may add requirements as appropriate, including to take into account Contract-specific issues/risks.

The Bidder shall initial and submit the Code of Conduct form as part of its bid.

### CODE OF CONDUCT FOR CONTRACTOR'S AND SUBCONTRACTOR'S PERSONNEL

We are the Contractor, [enter name of Contractor]. We have signed a contract with [enter name of Employer] for [enter description of the Facilities]. The Plant for the Facilities will be installed at [enter the Site]. Our contract requires us to implement measures to address environmental and social risks, related to the Installation Services i.e. services ancillary to the supply of the Plant for the Facilities, such as inland transportation, site preparation works/ associated civil works, installation, testing, precommissioning, commissioning, operations and maintenance etc. as the case may require.

This Code of Conduct is part of our measures to deal with environmental and social risks related to the Installation Services.

All personnel that we utilize in the execution of the Contract, including staff, labor and other employees of us and of each Subcontractor, and any other personnel assisting us in the execution of the Contract, are referred to as Contractor's personnel.

This Code of Conduct identifies the behavior that we require from the Contractor's Personnel employed for the execution of Installation Services at the Site (or other places in the country where the Site is located).

Our workplace is an environment where unsafe, offensive, abusive or violent behavior will not be tolerated and where all persons should feel comfortable raising issues or concerns without fear of retaliation.

#### REQUIRED CONDUCT

Contractor's Personnel employed for the execution of Installation Services at the Site (or other places in the country where the Site is located) shall:

1. carry out his/her duties competently and diligently;
2. comply with this Code of Conduct and all applicable laws, regulations and other requirements, including requirements to protect the health, safety and well-being of other Contractor's and Subcontractor's personnel and any other person;
3. maintain a safe working environment including by:

- 
- a. ensuring that workplaces, machinery, equipment and processes under each person's control are safe and without risk to health;
  - b. wearing required personal protective equipment;
  - c. using appropriate measures relating to chemical, physical and biological substances and agents; and
  - d. following applicable emergency operating procedures.
4. report work situations that he/she believes are not safe or healthy and remove himself/herself from a work situation which he/she reasonably believes presents an imminent and serious danger to his/her life or health;
  5. treat other people with respect, and not discriminate against specific groups such as women, people with disabilities, migrant workers or children;
  6. not engage in any form of sexual harassment including unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature with other Contractor's or Employer's Personnel;
  7. not engage in Sexual Exploitation, which means any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;
  8. not engage in Sexual Abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
  9. not engage in any form of sexual activity with individuals under the age of 18, except in case of pre-existing marriage;
  10. complete relevant training courses that will be provided related to the environmental and social aspects of the Contract, including on health and safety matters, and Sexual Exploitation and Abuse, and Sexual Harassment (SH);
  11. report violations of this Code of Conduct; and
  12. not retaliate against any person who reports violations of this Code of Conduct, whether to us or the Employer, or who makes use of the grievance mechanism for Contractor's Personnel or the project's Grievance Redress Mechanism.

#### **RAISING CONCERNS**

If any person observes behavior that he/she believes may represent a violation of this Code of Conduct, or that otherwise concerns him/her, he/she should raise the issue promptly. This can be done in either of the following ways:

1. Contact [*enter name of the Contractor's Social Expert with relevant experience in handling sexual exploitation, sexual abuse and sexual harassment cases, or if such person is not required under the Contract, another individual designated by the Contractor to handle these matters*] in writing at this address [ ] or by telephone at [ ] or in person at [ ]; or
2. Call [ ] to reach the Contractor's hotline (*if any*) and leave a message.

The person's identity will be kept confidential, unless reporting of allegations is mandated by the country law. Anonymous complaints or allegations may also be submitted and will be given all due and appropriate consideration. We take seriously all

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reports of possible misconduct and will investigate and take appropriate action. We will provide warm referrals to service providers that may help support the person who experienced the alleged incident, as appropriate.

There will be no retaliation against any person who raises a concern in good faith about any behavior prohibited by this Code of Conduct. Such retaliation would be a violation of this Code of Conduct.

**CONSEQUENCES OF VIOLATING THE CODE OF CONDUCT**

Any violation of this Code of Conduct by the Contractor’s Personnel may result in serious consequences, up to and including termination and possible referral to legal authorities.

FOR CONTRACTOR’S PERSONNEL:

I have received a copy of this Code of Conduct written in a language that I comprehend. I understand that if I have any questions about this Code of Conduct, I can contact [*enter name of Contractor’s contact person(s) with relevant experience*] requesting an explanation.

Name of Contractor’s Personnel: [insert name]

Signature:

\_\_\_\_\_

Date: (day month year): \_\_\_\_\_

Countersignature of authorized representative of the Contractor:

Signature: \_\_\_\_\_

Date: (day month year): \_\_\_\_\_

**ATTACHMENT 1:** Behaviors constituting SEA and behaviors constituting SH

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## ATTACHMENT 1 TO THE CODE OF CONDUCT FORM

### BEHAVIORS CONSTITUTING SEXUAL EXPLOITATION AND ABUSE (SEA) AND BEHAVIORS CONSTITUTING SEXUAL HARASSMENT (SH)

The following non-exhaustive list is intended to illustrate types of prohibited behaviors.

(1) **Examples of sexual exploitation and abuse** include, but are not limited to:

- A Contractor's Personnel tells a member of the community that he/she can get them jobs related to the work site (e.g. cooking and cleaning) in exchange for sex.
- A Contractor's Personnel that is connecting electricity input to households says that he can connect women headed households to the grid in exchange for sex.
- A Contractor's Personnel rapes, or otherwise sexually assaults a member of the community.
- A Contractor's Personnel denies a person access to the Site unless he/she performs a sexual favor.
- A Contractor's Personnel tells a person applying for employment under the Contract that he/she will only hire him/her if he/she has sex with him/her.

(2) **Examples of sexual harassment in a work context**

- A Contractor's Personnel comment on the appearance of another Installation Services Personnel (either positive or negative) and sexual desirability.
- When a Contractor's Personnel complains about comments made by another Contractor's Personnel on his/her appearance, the other Contractor's Personnel comment that he/she is "asking for it" because of how he/she dresses.
- Unwelcome touching of a Contractor's Personnel or Employer's Personnel by another Contractor's Personnel.
- A Contractor's Personnel tells another Contractor's Personnel that he/she will get him/her a salary raise, or promotion if he/she sends him/her naked photographs of himself/herself.

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## **Grievance Redress Mechanism**

The Bidder shall submit a Grievance Redress Mechanism plan that details:  
How grievances and complaints from the community and workers shall be received, handled and redressed, including feedback to the complainants regarding the steps that the grievance or complaint has to go through from the moment it is received to its resolution, including the timeframe at it step as well as other avenues for redress should the complainant not be satisfied with the resolution.

# Contractor's Equipment

## Form EQU

The Bidder shall provide adequate information to demonstrate clearly that it has the capability to meet the requirements for the key Contractor's equipment listed in Section III, Evaluation and Qualification Criteria. A separate Form shall be prepared for each item of equipment listed, or for alternative equipment proposed by the Bidder.

|                       |  |                        |
|-----------------------|--|------------------------|
| Item of equipment     |  |                        |
| Equipment information | Name of manufacturer   | Model and power rating |
|                       | Capacity   | Year of manufacture    |
| Current status        | Current location   |                        |
|                       | Details of current commitments   |                        |
| Source                | Indicate source of the equipment<br><input type="checkbox"/> Owned <input type="checkbox"/> Rented <input type="checkbox"/> Leased <input type="checkbox"/> Specially manufactured |                        |

Omit the following information for equipment owned by the Bidder.

|            |  |                        |
|------------|--|------------------------|
| Owner      | Name of owner  |                        |
|            | Address of owner   |                        |
|            | Telephone  | Contact name and title |
|            | Fax  | Telex                  |
| Agreements | Details of rental / lease / manufacture agreements specific to the project |                        |

# Personnel

Form PER -1

## Contractor's Representative and other Key Personnel Schedule

Bidders should provide the names of suitably qualified personnel to meet the specified requirements stated in Section VII. The data on their experience should be supplied using the Form below for each candidate.

### Contractor' Representative and Key Personnel

|           |  |  |
|-----------|--|--|
| <b>1.</b> | <b>Title of position:</b>                        |  |
|           | <b>Name of candidate:</b>                        |  |
|           | <b>Duration of appointment:</b>                  | <i>[insert the whole period (start and end dates) for which this position will be engaged]</i>   |
|           | <b>Time commitment: for this position:</b>       | <i>[insert the number of days/week/months/ that has been scheduled for this position]</i>        |
|           | <b>Expected time schedule for this position:</b> | <i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart]</i> |
| <b>2.</b> | <b>Title of position:</b>                        |  |
|           | <b>Name of candidate:</b>                        |  |
|           | <b>Duration of appointment:</b>                  | <i>[insert the whole period (start and end dates) for which this position will be engaged]</i>   |
|           | <b>Time commitment: for this position:</b>       | <i>[insert the number of days/week/months/ that has been scheduled for this position]</i>        |
|           | <b>Expected time schedule for this position:</b> | <i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart]</i> |
| <b>3.</b> | <b>Title of position:</b>                        |  |
|           | <b>Name of candidate:</b>                        |  |
|           | <b>Duration of appointment:</b>                  | <i>[insert the whole period (start and end dates) for which this position will be engaged]</i>   |
|           | <b>Time commitment: for this position:</b>       | <i>[insert the number of days/week/months/ that has been scheduled for this position]</i>        |
|           | <b>Expected time schedule for this position:</b> | <i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart]</i> |
| <b>4.</b> | <b>Title of position:</b>                        |  |
|           | <b>Name of candidate:</b>                        |  |
|           | <b>Duration of appointment:</b>                  | <i>[insert the whole period (start and end dates) for which this position will be engaged]</i>   |
|           | <b>Time commitment: for this position:</b>       | <i>[insert the number of days/week/months/ that has been scheduled for this position]</i>        |

|    |  |   |
|----|--|---|
|    | <b>Expected time schedule for this position:</b> | <i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart)]</i> |
| 5. | <b>Title of position:</b>                        |   |
|    | <b>Name of candidate</b>                         |   |
|    | <b>Duration of appointment:</b>                  | <i>[insert the whole period (start and end dates) for which this position will be engaged]</i>    |
|    | <b>Time commitment: for this position:</b>       | <i>[insert the number of days/week/months/ that has been scheduled for this position]</i>         |
|    | <b>Expected time schedule for this position:</b> | <i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart)]</i> |
| 6. | <b>Title of position:</b>                        |   |
|    | <b>Name of candidate</b>                         |   |
|    | <b>Duration of appointment:</b>                  | <i>[insert the whole period (start and end dates) for which this position will be engaged]</i>    |
|    | <b>Time commitment: for this position:</b>       | <i>[insert the number of days/week/months/ that has been scheduled for this position]</i>         |
|    | <b>Expected time schedule for this position:</b> | <i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart)]</i> |
| 7. | <b>Title of position: [insert title]...</b>      |   |



## Resume of Proposed Personnel

|                       |
|-----------------------|
| <b>Name of Bidder</b> |
|-----------------------|

|                                    |   |  |  |                                |               |                                    |                                    |
|------------------------------------|---|--|--|--------------------------------|---------------|------------------------------------|------------------------------------|
| <b>Position</b>                    |   |  |  |                                |               |                                    |                                    |
| <b>Personnel information</b>       | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;"><b>Name</b></td> <td style="padding: 5px;"><b>Date of birth</b></td> </tr> <tr> <td colspan="2" style="padding: 5px;"><b>Academic Qualifications</b></td> </tr> <tr> <td colspan="2" style="padding: 5px;"><b>Professional Qualifications</b></td> </tr> </table>   | <b>Name</b>                                  | <b>Date of birth</b>                         | <b>Academic Qualifications</b> |               | <b>Professional Qualifications</b> |                                    |
|                                    | <b>Name</b>   | <b>Date of birth</b>                         |  |                                |               |                                    |                                    |
|                                    | <b>Academic Qualifications</b>  |  |  |                                |               |                                    |                                    |
| <b>Professional Qualifications</b> |   |  |  |                                |               |                                    |                                    |
| <b>Present employment</b>          | <b>Name of employer</b>   |  |  |                                |               |                                    |                                    |
|                                    | <b>Address of employer</b>  |  |  |                                |               |                                    |                                    |
|                                    | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;"><b>Telephone</b></td> <td style="padding: 5px;"><b>Contact (manager / personnel officer)</b></td> </tr> <tr> <td style="padding: 5px;"><b>Fax</b></td> <td style="padding: 5px;"><b>E-mail</b></td> </tr> <tr> <td style="padding: 5px;"><b>Job title</b></td> <td style="padding: 5px;"><b>Years with present employer</b></td> </tr> </table> | <b>Telephone</b>                             | <b>Contact (manager / personnel officer)</b> | <b>Fax</b>                     | <b>E-mail</b> | <b>Job title</b>                   | <b>Years with present employer</b> |
|                                    | <b>Telephone</b>  | <b>Contact (manager / personnel officer)</b> |  |                                |               |                                    |                                    |
|                                    | <b>Fax</b>  | <b>E-mail</b>                                |  |                                |               |                                    |                                    |
| <b>Job title</b>                   | <b>Years with present employer</b>  |  |  |                                |               |                                    |                                    |
|                                    |   |  |  |                                |               |                                    |                                    |
|                                    |   |  |  |                                |               |                                    |                                    |

Summarize professional experience over the last 20 years, in reverse chronological order. Indicate particular technical and managerial experience relevant to the project.

| From | To | Company / Project / Position / Relevant technical and management experience |
|------|----|---|
|      |    |   |
|      |    |   |
|      |    |   |
|      |    |   |
|      |    |   |
|      |    |   |
|      |    |   |
|      |    |   |

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# Proposed Subcontractors for Major Items of Plant and Installation Services

A list of major items of Plant and Installation Services is provided below.

The following Subcontractors and/or manufacturers are proposed for carrying out the item of the facilities indicated. Bidders are free to propose more than one for each item

| <b>Major Items of Plant and Installation Services</b> | <b>Proposed Subcontractors/Manufacturers</b> | <b>Nationality</b> |
|---|--|--------------------|
|   |  |                    |
|   |  |                    |
|   |  |                    |

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## Functional Guarantees

### Form FUNC

The Bidder shall copy in the left column of the table below, the identification of each functional guarantee required in the Specification and stated by the Employer in para. 1.2 (c) of Section III, Evaluation and Qualification Criteria, and in the right column, provide the corresponding value for each functional guarantee of the proposed plant and equipment.

| <b>Required Functional Guarantee</b> | <b>Value of Functional Guarantee of the Proposed Plant and Equipment</b> |
|--------------------------------------|--|
| 1.                                   |  |
| 2.                                   |  |
| 3.                                   |  |
| ...                                  |  |

---

## **Bidders Qualification without prequalification**

To establish its qualifications to perform the contract in accordance with Section III, Evaluation and Qualification Criteria the Bidder shall provide the information requested in the corresponding Information Sheets included hereunder.

Form ELI 1.1  
**Bidder Information Sheet**

Date: \_\_\_\_\_  
RFB No.: \_\_\_\_\_  
Page \_\_\_\_\_ of \_\_\_\_\_ pages

|   |
|---|
| 1. Bidder's Legal Name  |
| 2. In case of JV, legal name of each party:   |
| 3. Bidder's actual or intended Country of Registration:   |
| 4. Bidder's Year of Registration:   |
| 5. Bidder's Legal Address in Country of Registration:   |
| 6. Bidder's Authorized Representative Information<br>Name:<br>Address:<br>Telephone/Fax numbers:<br>Email Address:  |
| 7. Attached are copies of original documents of<br><input type="checkbox"/> Articles of Incorporation (or equivalent documents of constitution or association), and/or documents of registration of the legal entity named above, in accordance with ITB 4.4<br><input type="checkbox"/> In case of JV, letter of intent to form JV or JV agreement, in accordance with ITB 4.1<br><input type="checkbox"/> In case of state-owned enterprise or institution, in accordance with ITB 4.6, documents establishing: <ul style="list-style-type: none"><li>• Legal and financial autonomy</li><li>• Operation under commercial law</li><li>• Establishing that the Bidder is not under the supervision of the Employer</li></ul> |
| 8. Included are the organizational chart, a list of Board of Directors, and the beneficial ownership. <i>[If required under BDS ITB 46.1, the successful Bidder shall provide additional information on beneficial ownership, using the Beneficial Ownership Disclosure Form.]</i>  |

## Party to JV Information Sheet

Date: \_\_\_\_\_

RFB No.: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

|   |
|---|
| 1. Bidder's Legal Name:   |
| 2. JV's Party legal name:   |
| 3. JV's Party Country of Registration:  |
| 4. JV's Party Year of Registration:   |
| 5. JV's Party Legal Address in Country of Registration:   |
| 6. JV's Party Authorized Representative Information<br>Name:<br>Address:<br>Telephone/Fax numbers:<br>Email Address:  |
| 7. Attached are copies of original documents of<br><input type="checkbox"/> Articles of Incorporation (or equivalent documents of constitution or association), and/or registration documents of the legal entity named above, in accordance with ITB 4.4.<br><input type="checkbox"/> In case of a state-owned enterprise or institution, documents establishing legal and financial autonomy, operation in accordance with commercial law, and that they are not under the supervision of the Employer, in accordance with ITB 4.6. |
| 8. Included are the organizational chart, a list of Board of Directors, and the beneficial ownership. <i>[If required under BDS ITB 46.1, the successful Bidder shall provide additional information on beneficial ownership for each JV member using the Beneficial Ownership Disclosure Form.]</i>  |

## Form CON – 2

### Historical Contract Non-Performance

Bidder's Legal Name: \_\_\_\_\_

Date: \_\_\_\_\_

JV Member Legal Name: \_\_\_\_\_

RFB No.: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

| Non-Performed Contracts in accordance with Section III, Evaluation and Qualification Criteria   |                                       |  |  |
|---|---------------------------------------|--|--|
| <input type="checkbox"/> Contract non-performance did not occur since 1 <sup>st</sup> January <i>[insert year]</i> specified in Section III, Evaluation and Qualification Criteria, Sub-Factor 2.1. |                                       |  |  |
| <input type="checkbox"/> Contract(s) not performed since 1 <sup>st</sup> January <i>[insert year]</i> specified in Section III, Evaluation and Qualification Criteria, requirement 2.1              |                                       |  |  |
| Year  | Non-performed portion of contract     | Contract Identification  | Total Contract Amount (current value, currency, exchange rate and US\$ equivalent) |
| <i>[insert year]</i>  | <i>[insert amount and percentage]</i> | Contract Identification: <i>[indicate complete contract name/ number, and any other identification]</i><br>Name of Employer: <i>[insert full name]</i><br>Address of Employer: <i>[insert street/city/country]</i><br>Reason(s) for nonperformance: <i>[indicate main reason(s)]</i> | <i>[insert amount]</i>   |
| Pending Litigation, in accordance with Section III, Evaluation and Qualification Criteria   |                                       |  |  |
| <input type="checkbox"/> No pending litigation in accordance with Section III, Evaluation and Qualification Criteria, Sub-Factor 2.3.   |                                       |  |  |
| <input type="checkbox"/> Pending litigation in accordance with Section III, Evaluation and Qualification Criteria, Sub-Factor 2.3 as indicated below.   |                                       |  |  |

| Year of dispute   | Amount in dispute (currency)       | Contract Identification  | Total Contract Amount (currency), USD Equivalent (exchange rate) |
|---|------------------------------------|--|--|
|   |                                    | Contract Identification: _____<br>Name of Employer: _____<br>Address of Employer: _____<br>Matter in dispute: _____<br>Party who initiated the dispute: _____<br>Status of dispute: _____  |  |
|   |                                    | Contract Identification:<br>Name of Employer:<br>Address of Employer:<br>Matter in dispute:<br>Party who initiated the dispute:<br>Status of dispute:  |  |
| Litigation History in accordance with Section III, Evaluation and Qualification Criteria  |                                    |  |  |
| <input type="checkbox"/> No Litigation History in accordance with Section III, Evaluation and Qualification Criteria, Sub-Factor 2.4.                 |                                    |  |  |
| <input type="checkbox"/> Litigation History in accordance with Section III, Evaluation and Qualification Criteria, Sub-Factor 2.4 as indicated below. |                                    |  |  |
| Year of award   | Outcome as percentage of Net Worth | Contract Identification  | Total Contract Amount (currency), USD Equivalent (exchange rate) |
| [insert year]   | [insert percentage]                | Contract Identification: [indicate complete contract name, number, and any other identification]<br>Name of Employer: [insert full name]<br>Address of Employer: [insert street/city/country]<br>Matter in dispute: [indicate main issues in dispute]<br>Party who initiated the dispute: [indicate "Employer" or "Contractor"]<br>Reason(s) for Litigation and award decision [indicate main reason(s)] | [insert amount]  |





# Form CON – 3

## Environmental and Social Performance Declaration

*[The following table shall be filled in for the Bidder, each member of a Joint Venture and each Specialized Subcontractor]*

Bidder's Name: *[insert full name]*  
 Date: *[insert day, month, year]*  
 Joint Venture Member's or Specialized Subcontractor's Name: *[insert full name]*  
 RFB No. and title: *[insert RFB number and title]*  
 Page *[insert page number]* of *[insert total number]* pages

| Environmental and Social Performance Declaration<br>in accordance with Section III, Qualification Criteria, and Requirements   |   |  |  |
|--|---|--|--|
| <p><input type="checkbox"/> <b>No suspension or termination of contract:</b> An employer has not suspended or terminated a contract and/or called the performance security for a contract for reasons related to Environmental or Social (ES) performance since the date specified in Section III, Qualification Criteria, and Requirements, Sub-Factor 2.5.</p> <p><input type="checkbox"/> <b>Declaration of suspension or termination of contract:</b> The following contract(s) has/have been suspended or terminated and/or Performance Security called by an employer(s) for reasons related to Environmental or Social (ES) performance since the date specified in Section III, Qualification Criteria, and Requirements, Sub-Factor 2.5. Details are described below:</p> |   |  |  |
| Year   | Suspended or terminated portion of contract | Contract Identification  | Total Contract Amount (current value, currency, exchange rate and US\$ equivalent) |
| <i>[insert year]</i>   | <i>[insert amount and percentage]</i>       | Contract Identification: <i>[indicate complete contract name/ number, and any other identification]</i><br>Name of Employer: <i>[insert full name]</i><br>Address of Employer: <i>[insert street/city/country]</i><br>Reason(s) for suspension or termination: <i>[indicate main reason(s) e.g. gender-based violence; sexual exploitation or sexual abuse breaches]</i> | <i>[insert amount]</i>   |
| <i>[insert year]</i>   | <i>[insert amount and percentage]</i>       | Contract Identification: <i>[indicate complete contract name/ number, and any other identification]</i><br>Name of Employer: <i>[insert full name]</i><br>Address of Employer: <i>[insert street/city/country]</i>   | <i>[insert amount]</i>   |

|  |   |   |  |
|--|---|---|--|
|  |   | Reason(s) for suspension or termination: <i>[indicate main reason(s)]</i> |  |
| ...  | ...   | <i>[list all applicable contracts]</i>                                    | ...  |
| <b>Performance Security called by an employer(s) for reasons related to ES performance</b> |   |   |  |
| Year   | Contract Identification   |   | Total Contract Amount (current value, currency, exchange rate and US\$ equivalent) |
| <i>[insert year]</i>   | Contract Identification: <i>[indicate complete contract name/ number, and any other identification]</i><br>Name of Employer: <i>[insert full name]</i><br>Address of Employer: <i>[insert street/city/country]</i><br>Reason(s) for calling of performance security: <i>[indicate main reason(s) e.g. for gender-based violence; sexual exploitation, or sexual abuse breaches]</i> |   | <i>[insert amount]</i>   |

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**Form CON – 4**  
**Sexual Exploitation and Abuse (SEA) and/or Sexual Harassment Performance Declaration**

*[The following table shall be filled in by the Bidder, each member of a Joint Venture and each subcontractor proposed by the Bidder]*

Bidder's Name: *[insert full name]*

Date: *[insert day, month, year]*

Joint Venture Member's or Subcontractor's Name: *[insert full name]*

RFB No. and title: *[insert RFB number and title]*

Page *[insert page number]* of *[insert total number]* pages

| <b>SEA and/or SH Declaration</b><br><b>in accordance with Section III, Evaluation and Qualification Criteria</b>  |
|---|
| <p>We:</p> <p><input type="checkbox"/> (a) have not been subject to disqualification by the Bank for non-compliance with SEA/ SH obligations</p> <p><input type="checkbox"/> (b) are subject to disqualification by the Bank for non-compliance with SEA/ SH obligations</p> <p><input type="checkbox"/> (c) had been subject to disqualification by the Bank for non-compliance with SEA/ SH obligations. An arbitral award on the disqualification case has been made in our favor.</p> |
| <p><b><i>[If (c) above is applicable, attach evidence of an arbitral award reversing the findings on the issues underlying the disqualification.]</i></b></p>   |

Form CCC

## Current Contract Commitments / Works in Progress

Bidders and each member to a JV should provide information on their current commitments on all contracts that have been awarded, or for which a letter of intent or acceptance has been received, or for contracts approaching completion, but for which an unqualified, full completion certificate has yet to be issued.

| <b>Name of contract</b> | <b>Employer, contact address/tel/fax</b> | <b>Value of outstanding work (current US\$ equivalent)</b> | <b>Estimated completion date</b> | <b>Average monthly invoicing over last six months (US\$/month)</b> |
|-------------------------|--|--|----------------------------------|--|
| 1.                      |  |  |                                  |  |
| 2.                      |  |  |                                  |  |
| 3.                      |  |  |                                  |  |
| 4.                      |  |  |                                  |  |
| 5.                      |  |  |                                  |  |
| etc.                    |  |  |                                  |  |

## Financial Situation

### Historical Financial Performance

Bidder's Legal Name: \_\_\_\_\_

Date: \_\_\_\_\_

JV Member Legal Name: \_\_\_\_\_

RFB No.: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

To be completed by the Bidder and, if JV, by each member

| Financial information in US\$ equivalent | Historic information for previous ____ ( ) years<br>(US\$ equivalent in 000s) |        |        |          |        |      |            |
|--|---|--------|--------|----------|--------|------|------------|
|  | Year 1  | Year 2 | Year 3 | Year ... | Year n | Avg. | Avg. Ratio |
| <b>Information from Balance Sheet</b>    |   |        |        |          |        |      |            |
| <b>Total Assets (TA)</b>                 |   |        |        |          |        |      |            |
| <b>Total Liabilities (TL)</b>            |   |        |        |          |        |      |            |
| <b>Net Worth (NW)</b>                    |   |        |        |          |        |      |            |
| <b>Current Assets (CA)</b>               |   |        |        |          |        |      |            |
| <b>Current Liabilities (CL)</b>          |   |        |        |          |        |      |            |
| <b>Information from Income Statement</b> |   |        |        |          |        |      |            |

| Financial information in US\$ equivalent | Historic information for previous _____ ( ) years<br>(US\$ equivalent in 000s) |        |        |          |        |      |            |
|--|--|--------|--------|----------|--------|------|------------|
|  | Year 1   | Year 2 | Year 3 | Year ... | Year n | Avg. | Avg. Ratio |
| Total Revenue (TR)                       |  |        |        |          |        |      |            |
| Profits Before Taxes (PBT)               |  |        |        |          |        |      |            |

Attached are copies of financial statements (balance sheets, including all related notes, and income statements) for the years required above complying with the following conditions:

- (a) Must reflect the financial situation of the Bidder or member to a JV, and not sister or parent companies
- (b) Historic financial statements must be audited by a certified accountant
- (c) Historic financial statements must be complete, including all notes to the financial statements
- (d) Historic financial statements must correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted)

Form FIN – 3.2  
**Average Annual Turnover**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 JV Member Legal Name: \_\_\_\_\_ RFB No.: \_\_\_\_\_  
 Page \_\_\_\_\_ of \_\_\_\_\_ pages

| <b>Annual turnover data</b> |                     |                 |
|-----------------------------|---------------------|-----------------|
| Year                        | Amount and Currency | US\$ equivalent |
|                             | _____               | _____           |
|                             | _____               | _____           |
|                             | _____               | _____           |
|                             | _____               | _____           |
|                             | _____               | _____           |
|                             | _____               | _____           |
| *Average Annual Turnover    | _____               | _____           |

\*Average annual turnover calculated as total certified payments received for work in progress or completed, divided by the number of years specified in Section III, Evaluation Criteria, Sub-Factor 2.3.2.



---

**Form FIN3.3**  
**Financial Resources**

Specify proposed sources of financing, such as liquid assets, unencumbered real assets, lines of credit, and other financial means, net of current commitments, available to meet the total cash flow demands of the subject contract or contracts as indicated in Section III, Evaluation and Qualification Criteria

| Source of financing | Amount (US\$ equivalent) |
|---------------------|--------------------------|
| 1.                  |                          |
| 2.                  |                          |
| 3.                  |                          |
| 4.                  |                          |

Form EXP 4.1  
**Experience**  
**General Experience**

Bidder's Legal Name: \_\_\_\_\_

Date: \_\_\_\_\_

JV Member Legal Name: \_\_\_\_\_

RFB No.: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

| Starting<br>Month /<br>Year | Ending<br>Month /<br>Year | Years* | Contract Identification  | Role of<br>Bidder |
|-----------------------------|---------------------------|--------|--|-------------------|
| _____                       | _____                     |        | Contract name:<br>Brief Description of the contract performed by<br>the Bidder:<br>Name of Employer:<br>Address: | _____<br>-        |
| _____                       | _____                     |        | Contract name:<br>Brief Description of the contract performed by<br>the Bidder:<br>Name of Employer:<br>Address: | _____<br>-        |
| _____                       | _____                     |        | Contract name:<br>Brief Description of the contract performed by<br>the Bidder:<br>Name of Employer:<br>Address: | _____<br>-        |
| _____                       | _____                     |        | Contract name:<br>Brief Description of the contract performed by<br>the Bidder:<br>Name of Employer:<br>Address: | _____<br>-        |

\*List calendar year for years with contracts with at least nine (9) months activity per year starting with the earliest year

**Form EXP -4.2(a)**  
**Specific Experience**

Bidder's Legal Name: \_\_\_\_\_

Date: \_\_\_\_\_

JV Member Legal Name: \_\_\_\_\_

RFB No.: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

| <b>Similar Contract Number: ___ of ___ required.</b>                               | <b>Information</b> |                       |               |
|--|--------------------|-----------------------|---------------|
| Contract Identification  | _____              |                       |               |
| Award date   | _____              |                       |               |
| Completion date  | _____              |                       |               |
|  |                    |                       |               |
| Role in Contract   | Contractor         | Management Contractor | Subcontractor |
| Total contract amount  | _____              |                       | US\$ _____    |
| If member in a JV or subcontractor, specify participation of total contract amount | _____ %            | _____                 | US\$ _____    |
| Employer's Name:   | _____              |                       |               |
| Address:   | _____              |                       |               |
| Telephone/fax number:  | _____              |                       |               |
| E-mail:  | _____              |                       |               |

Form EXP -4.2(a) (cont.)  
**Specific Experience (cont.)**

Bidder's Legal Name: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_ pages  
 JV Member Legal Name: \_\_\_\_\_

| Similar Contract No. __[insert specific number] of [total number of contracts] __ required | Information |
|--|-------------|
| Description of the similarity in accordance with Sub-Factor 4.2a) of Section III:          |             |
| Amount   | _____       |
| Physical size  | _____       |
| Complexity   | _____       |
| Methods/Technology   | _____       |
| Physical Production Rate   | _____       |

**Form EXP -4.2(b)**  
**Specific Experience in Key Activities**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 JV Member Legal Name: \_\_\_\_\_ RFB No.: \_\_\_\_\_  
 Subcontractor's Legal Name: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_ pages

|  | <b>Information</b> |                          |               |
|--|--------------------|--------------------------|---------------|
| Contract Identification  | _____              |                          |               |
| Award date   | _____              |                          |               |
| Completion date  | _____              |                          |               |
| Role in Contract   | Contractor         | Management<br>Contractor | Subcontractor |
| Total contract amount  | _____              |                          | US\$ _____    |
| If member in a JV or subcontractor,<br>specify participation of total contract<br>amount | _____ %            | _____                    | US\$ _____    |
| Employer's Name:   | _____              |                          |               |
| Address:   | _____              |                          |               |
| Telephone/fax number:  | _____              |                          |               |
| E-mail:  | _____              |                          |               |

---

**Form EXP -4.2 (b)(cont.)**  
**Specific Experience in Key Activities (cont.)**

Bidder's Legal Name: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_ pages  
JV Member Legal Name: \_\_\_\_\_  
Subcontractor's Legal Name: \_\_\_\_\_

|   | <b>Information</b> |
|---|--------------------|
| Description of the key activities in accordance with Sub-Factor 4.2b) of Section III: |                    |
|   |                    |
|   |                    |
|   |                    |
|   |                    |
|   |                    |
|   |                    |

**Form EXP -4.2(c)**  
**Specific Experience in Managing ES aspects**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 JV Member Legal Name: \_\_\_\_\_ RFB No.: \_\_\_\_\_  
 Subcontractor's Legal Name: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_ pages

1. Key Requirement no 1 in accordance with 4.2 (c): \_\_

|                                |                       |                   |                            |                    |
|--------------------------------|-----------------------|-------------------|----------------------------|--------------------|
| Contract Identification        |                       |                   |                            |                    |
| Award date                     |                       |                   |                            |                    |
| Completion date                |                       |                   |                            |                    |
| Role in Contract               | Prime Contractor<br>? | Member in JV<br>? | Management Contractor<br>? | Subcontractor<br>? |
| Total Contract Amount          |                       |                   | US\$                       |                    |
| Details of relevant experience |                       |                   |                            |                    |

2. Key Requirement no 2 in accordance with 4.2 (c): \_\_\_\_\_  
 3. Key Requirement no 3 in accordance with 4.2 (c): \_\_\_\_\_

---

## Form of Bid Security

### Form of Bid Security – Bank Guarantee

[The bank shall fill in this Bank Guarantee Form in accordance with the instructions indicated.]

[Guarantor letterhead or SWIFT identifier code]

**Beneficiary:** [Employer to insert its name and address]

**RFB No.:**[Employer to insert reference number for the Request for Bids]

**Alternative No.:** [Insert identification No if this is a Bid for an alternative]

**Date:**[Insert date of issue]

**BID GUARANTEE No.:**[Insert guarantee reference number]

**Guarantor:** [Insert name and address of place of issue, unless indicated in the letterhead]

We have been informed that \_\_\_\_\_ [insert name of the Bidder, which in the case of a joint venture shall be the name of the joint venture (whether legally constituted or prospective) or the names of all members thereof](hereinafter called "the Applicant") has submitted or will submit to the Beneficiary its Bid (hereinafter called "the Bid") for the execution of \_\_\_\_\_ under RFB No. \_\_\_\_\_

Furthermore, we understand that, according to the Beneficiary's conditions, Bids must be supported by a Bid guarantee.

At the request of the Applicant, we, as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of \_\_\_\_\_ (\_\_\_\_\_) upon receipt by us of the Beneficiary's complying demand, supported by the Beneficiary's statement, whether in the demand itself or a separate signed document accompanying or identifying the demand, stating that either the Bidder:

- (a) has withdrawn its Bid prior to the Bid validity expiry date set forth in the Applicant's Letter of Bid, or any extended date provided by the Applicant; or
- (b) having been notified of the acceptance of its Bid by the Beneficiary prior to the expiry date of the Bid validity or any extension thereto provided by the Applicant,
  - (i) has failed to execute the Contract Agreement, or
  - (ii) has failed to furnish the



---

Performance Security, in accordance with the Instructions to Bidders (“ITB”) of the Beneficiary’s bidding document.

This guarantee will expire: (a) if the Applicant is the successful Bidder, upon our receipt of copies of the contract agreement signed by the Applicant and the Performance Security issued to the Beneficiary in relation to such contract agreement; or (b) if the Applicant is not the successful Bidder, upon the earlier of (i) our receipt of a copy of the Beneficiary’s notification to the Applicant of the results of the Bidding process; or (ii) twenty-eight days after the expiry date of the Bid validity.

Consequently, any demand for payment under this guarantee must be received by us at the office indicated above on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758.

---

[Signature(s)]

***Note: All italicized text is for use in preparing this form and shall be deleted from the final product.***

---

# Manufacturer's Authorization and Warranty Form

Date: \_\_\_\_\_  
RFB No.: \_\_\_\_\_

To: \* \_\_\_\_\_  
WHEREAS

We \_\_\_\_\_, who are official manufacturers of \_\_\_\_\_, having factories at \_\_\_\_\_, do hereby authorize \*\* \_\_\_\_\_ to submit a Bid the purpose of which is to provide the following goods, manufactured by us \_\_\_\_\_, and to subsequently negotiate and sign the Contract.

We hereby extend our full guarantee and warranty in accordance with section IX- Particular Conditions of Contract, Clause 27 of the General Conditions of Contract and Section III – Evaluation and Qualification Criteria Clause 1.2c –Functional Guarantees of the Facilities;  
Product Warranty \_\_\_\_\_ years  
Performance Warranty \_\_\_\_\_ (where applicable)  
with respect to the goods offered by the above firm.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Duly authorized to sign this Authorization on behalf of:  
\_\_\_\_\_

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\*: insert name and address of Employer

\*\* : In the case of the Bid submitted by joint venture specify the name of the Joint Venture as Bidder

---

## Forced Labor Declaration

Date: \_\_\_\_\_

RFB No.: \_\_\_\_\_

Alternative No.: \_\_\_\_\_

Contract Title: \_\_\_\_\_ -  
\_\_\_\_\_

To:

**We, the undersigned, declare that, if awarded the Contract, we, including our Subcontractors and suppliers/ manufacturers, are required to comply with the contractual Forced Labor obligations. In this regard, we:**

- (a) accept that there will be no Forced Labor among the staff, employees, workers and any other persons employed or engaged by us;
- (b) accept that staff, employees, workers and any other persons employed or engaged, will be hired under employment conditions that meet the contractual obligations set out in the Contract;
- (c) will include in our contracts with Subcontractors/ suppliers/ manufacturers of *[solar panels]* *[solar panel components]* obligations to prevent Forced Labor among the staff, employees, workers and any other person employed or engaged by the Subcontractor/ supplier/ manufacturer;
- (d) will include in our contracts with Subcontractors/ suppliers/ manufacturers of *[solar panels]* *[solar panel components]*, that the Subcontractors/ suppliers/ manufacturers include an obligation to prevent Forced Labor in all contracts that they execute with their suppliers/ manufacturers of *[solar panel]**[solar panel components]*;
- (e) will monitor our Subcontractors/ suppliers/ manufacturers of *[solar panels]**[solar panel components]* on implementation of obligations to prevent Forced Labor among the staff, employees, workers and any other person employed or engaged by them;
- (f) will require our Subcontractors to monitor their suppliers/ manufacturers of *[solar panels]**[solar panel components]* on implementation of obligations to prevent Forced Labor among the staff, employees, workers and any other person employed or engaged by them;
- (g) will require our Subcontractors/ suppliers/ manufacturers to immediately notify us of any incidents of Forced Labor;
- (h) will immediately notify the Employer any incident of Forced labor on the site, or premises of Subcontractors/ suppliers/ manufacturers of *[solar panels]* *[solar panel components]*;

- 
- (i) will include in periodic progress reports submitted in accordance with the contract sufficient details on our, including our Subcontractors/ suppliers/ manufacturers , compliance with Forced Labor obligations; and we
  - (j) confirm that the Subcontractors/ suppliers/ manufacturers for [solar panels][solar panel components] for this contract are (or likely to be):

**[Provide each firm's name, address, primary contact, e-mail address, and the link to the firm's website]**

**OR**

confirm that you have not yet finalized the Subcontractors/ suppliers/ manufacturers of solar panels/components, but when known the firm/s name(s), address(es), primary contact(s), e-mail address(es) and web site link(s) will be provided to the Employer, prior to signing the contract, with documentation demonstrating compliance with forced labor obligations to the Employer for approval].

**THEN**

**If (c) above is applicable**, attach evidence of how these contract obligations are/will be made.

**If (d) above is applicable**, attach evidence of how these contract obligations are/will be made.

**If (e) above is applicable**, please attach evidence of how this monitoring/due diligence is/will be undertaken (such as your inspection protocols, use of inspection agents, frequency of inspections, examples of previous factory/labor inspection reports etc.).

**If (f) above is applicable**, please attach evidence of how this monitoring/due diligence is/will be undertaken by Subcontractors (such as their inspection protocols, use of inspection agents, frequency of inspections, examples of previous factory/labor inspection reports etc.).

**We declare all the information and statements made in this Form are true, and we accept that any misrepresentation contained in this Form may lead to our disqualification by the Employer and/or sanctions by the Bank.**

Name of the Bidder\* \_\_\_\_\_

Name of the person duly authorized to sign the Bid on behalf of the Bidder\*\* \_\_\_\_\_

Title of the person signing the Bid \_\_\_\_\_

Signature of the person named above \_\_\_\_\_

Date signed \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\*: In the case of the Bid submitted by joint venture specify the name of the Joint Venture as Bidder

\*\* : Person signing the Bid shall have the power of attorney given by the Bidder attached to the Bid

*[Note: In case of a Joint Venture, the Forced Labor Declaration must be in the name of all members to the Joint Venture that submits the Bid.]*

# Forced Labor Performance Declaration

[The following table shall be filled in by the Bidder, each member of a Joint Venture, each Subcontractor/ supplier/ manufacturer providing solar panels and/or solar panel components proposed by the Bidder]

Bidder's Name: [insert full name]

Date: [insert day, month, year]

Joint Venture Member's or Subcontractor's/supplier's/manufacturer's Name: [insert full name]

RFB No. and title: [insert RFB number and title]

Page [insert page number] of [insert total number] pages

## Forced Labor Performance Declaration in accordance with Section III, Evaluation and Qualification Criteria

**We:**

(a) have not been suspended or terminated, and/or other contractual remedies applied including calling of performance security by an employer, for reasons of breach of forced labor obligations in the past five years. [if (a) is declared, state N/A for (b) below]

(b) have been suspended or terminated, and/or other contractual remedies applied including calling of performance security by an employer, for reasons of breach of forced labor obligations in the past five years. Details are provided below:

| Year | Contract identification | Name of Employer | Reasons for suspension or, termination, and/or other contractual remedies applied including calling | performance security |
|------|-------------------------|------------------|---|----------------------|
| -    | -                       | -                | -   | -                    |

(c) [If (b) above is applicable, attach evidence demonstrating that adequate capacity and commitment to comply with Forced Labor obligations.]

**We declare that all the information and statements made in this Form are true, and we accept that any misrepresentation contained in this Form may lead to our disqualification by the Employer and/or sanctions by the Bank.**

Name of the Bidder/ JV member/ Subcontractor/ supplier/ manufacturer

\_\_\_\_\_

Name of the person duly authorized to sign on behalf of the Bidder/ JV member/ Subcontractor/ supplier/manufacturer

\_\_\_\_\_

Title of the person signing on behalf of the Bidder/ JV member/ Subcontractor/ supplier/ manufacturer

\_\_\_\_\_

Signature of the person named above

\_\_\_\_\_

Date signed \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Countersignature of authorized representative of the Bidder (for forms submitted by a JV member, Subcontractor/ supplier/ manufacturer):

Signature:

\_\_\_\_\_

Date signed \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_



## Section V - Eligible Countries

### **Eligibility for the Provision of Goods, Works and Non Consulting Services in Bank-Financed Procurement**

In reference to ITB 4.8 (a) and 5.1, for the information of the Bidders, at the present time firms, goods and services from the following countries are excluded from this Bidding process: None

In reference to ITB 4.8(b) and 5.1, for the information of the Bidders, at the present time firms, goods and services from the following countries are excluded from this bidding process: None

A list of debarred firms and individuals is available on the Bank's external website: <http://www.worldbank.org/debarr>





# Section VI - Fraud and Corruption

(This Section shall not be changed)

## 1. Purpose

1.1 The Bank's Anti-Corruption Guidelines and this annex apply with respect to procurement under Bank Investment Project Financing operations.

## 2. Requirements

2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.2 To this end, the Bank:

- a. Defines, for the purposes of this provision, the terms set forth below as follows:
  - i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
  - ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
  - iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
  - iv. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
  - v. "obstructive practice" is:
    - (a) Deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
    - (b) Acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.
- b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
- d. Pursuant to the Bank's Anti-Corruption Guidelines and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>1</sup> (ii) to be a nominated<sup>2</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
- e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect<sup>3</sup> all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

---

<sup>1</sup> For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>2</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

<sup>3</sup> Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

## **PART 2 - Employer’s Requirements**



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# Section VII - Employer’s Requirements

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## **Scope of Supply of Plant and Installation Services by the Contractor**

For the scope of supply the bidder should refer to the Volume II, Part 2, Section VII- Employer's Requirement and Technical specification for "Design, Supply, Installation and Commissioning of Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Mini-Grids) in Mandera and Wajir Counties in Kenya with 7 Years Operations and Maintenance (O&M) Services for the Generation System and the Distribution Network". This has been attached as a separate document.

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## **Specification**

For the Specification the bidder should refer to the Volume II, Part 2, Section VII- Employer's Requirement and Technical specification for "Design, Supply, Installation and Commissioning of Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Mini-Grids) in Turkana, Marsabit, Samburu and Isiolo Counties in Kenya with 7 Years Operations and Maintenance (O&M) Services. This has been attached as a separate document.

---

## **Environmental and Social (ES) requirements**

*[The ES requirements should be prepared in manner that does not conflict with the relevant General Conditions of Contract (and the corresponding Particular Conditions of Contract if any) and other parts of the specifications.]*



## Contractor's Representative and Key Personnel

| Item No. | Position/<br>specialization                    | Relevant academic qualifications   | Number of Personnel | Minimum General work experience (years) | Minimum Specific work experience (years) |
|----------|--|--|---------------------|---|--|
| 1.       | Resident Project Manager                       | <i>Degree in Electrical or Mechanical Engineering or Renewable Engineering</i>   | 1                   | 10                                      | 5  |
| 2.       | Construction Engineer                          | <i>Degree in Electrical or Mechanical Engineering</i>  | 1                   | 7                                       | 4  |
| 3.       | Design Engineer                                | <i>Degree in Electrical Engineering</i>  | 1                   | 7                                       | 4  |
| 4.       | Technicians                                    | <i>Diploma in Electrical Engineering</i>   | 4                   | 5                                       | 3  |
| 5.       | Solar PV Specialist                            | <i>Degree/Diploma in Electrical or Mechanical or Renewable or Energy Engineering and Energy &amp; Petroleum Regulatory Authority (EPRA) Solar PV System Class T3 license or equivalent</i> | 1                   | 5                                       | 3  |
| 6.       | Safety and Health specialist                   | <i>Safety/Health Degree or other relevant Degree</i>   | 1                   | 5                                       | 3  |
| 7.       | Environmental and Social safeguards specialist | <i>Environmental/Natural Resources Management/Social sciences or other relevant Degree</i>   | 1                   | 5                                       | 3  |

---

## **Forms and Procedures**

---

## Form of Completion Certificate

Date: \_\_\_\_\_  
Loan/Credit N<sup>o</sup>: \_\_\_\_\_  
RFB N<sup>o</sup>: \_\_\_\_\_

\_\_\_\_\_  
To: \_\_\_\_\_

Dear Ladies and/or Gentlemen,  
Pursuant to GCC Clause 24 (Completion of the Facilities) of the General Conditions of the Contract entered into between yourselves and the Employer dated \_\_\_\_\_, relating to the \_\_\_\_\_, we hereby notify you that the following part(s) of the Facilities was (were) complete on the date specified below, and that, in accordance with the terms of the Contract, the Employer hereby takes over the said part(s) of the Facilities, together with the responsibility for care and custody and the risk of loss thereof on the date mentioned below.

1. Description of the Facilities or part thereof: \_\_\_\_\_
2. Date of Completion: \_\_\_\_\_

However, you are required to complete the outstanding items listed in the attachment hereto as soon as practicable.

This letter does not relieve you of your obligation to complete the execution of the Facilities in accordance with the Contract nor of your obligations during the Defect Liability Period.  
Very truly yours,

\_\_\_\_\_  
Title  
(Project Manager)

---

## Form of Operational Acceptance Certificate

Date: \_\_\_\_\_  
Loan/Credit N°: \_\_\_\_\_  
RFB N°: \_\_\_\_\_

\_\_\_\_\_  
To: \_\_\_\_\_

Dear Ladies and/or Gentlemen,

Pursuant to GCC Sub-Clause 25.3 (Operational Acceptance) of the General Conditions of the Contract entered into between yourselves and the Employer dated \_\_\_\_\_, relating to the \_\_\_\_\_, we hereby notify you that the Functional Guarantees of the following part(s) of the Facilities were satisfactorily attained on the date specified below.

1. Description of the Facilities or part thereof: \_\_\_\_\_
2. Date of Operational Acceptance: \_\_\_\_\_

This letter does not relieve you of your obligation to complete the execution of the Facilities in accordance with the Contract nor of your obligations during the Defect Liability Period.

Very truly yours,

\_\_\_\_\_  
Title  
(Project Manager)

---

## Change Order Procedure and Forms

Date: \_\_\_\_\_  
Loan/Credit N<sup>o</sup>: \_\_\_\_\_  
RFB N<sup>o</sup>: \_\_\_\_\_

### CONTENTS

1. General
2. Change Order Log
3. References for Changes

### ANNEXES

- Annex 1 Request for Change Proposal
- Annex 2 Estimate for Change Proposal
- Annex 3 Acceptance of Estimate
- Annex 4 Change Proposal
- Annex 5 Change Order
- Annex 6 Pending Agreement Change Order
- Annex 7 Application for Change Proposal

---

## Change Order Procedure

### 1. General

This section provides samples of procedures and forms for implementing changes in the Facilities during the performance of the Contract in accordance with GCC Clause 39 (Change in the Facilities) of the General Conditions.

### 2. Change Order Log

The Contractor shall keep an up-to-date Change Order Log to show the current status of Requests for Change and Changes authorized or pending, as Annex 8. Entries of the Changes in the Change Order Log shall be made to ensure that the log is up-to-date. The Contractor shall attach a copy of the current Change Order Log in the monthly progress report to be submitted to the Employer.

### 3. References for Changes

- (1) Request for Change as referred to in GCC Clause 39 shall be serially numbered CR-X-nnn.
- (2) Estimate for Change Proposal as referred to in GCC Clause 39 shall be serially numbered CN-X-nnn.
- (3) Acceptance of Estimate as referred to in GCC Clause 39 shall be serially numbered CA-X-nnn.
- (4) Change Proposal as referred to in GCC Clause 39 shall be serially numbered CP-X-nnn.
- (5) Change Order as referred to in GCC Clause 39 shall be serially numbered CO-X-nnn.

Note: (a) Requests for Change issued from the Employer's Home Office and the Site representatives of the Employer shall have the following respective references:

|             |          |
|-------------|----------|
| Home Office | CR-H-nnn |
| Site        | CR-S-nnn |

- (b) The above number "nnn" is the same for Request for Change, Estimate for Change Proposal, Acceptance of Estimate, Change Proposal and Change Order.

---

## Annex 1. Request for Change Proposal

(Employer's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Dear Ladies and/or Gentlemen:

With reference to the captioned Contract, you are requested to prepare and submit a Change Proposal for the Change noted below in accordance with the following instructions within \_\_\_\_\_ days of the date of this letter \_\_\_\_\_.

1. Title of Change: \_\_\_\_\_
  2. Change Request No. \_\_\_\_\_
  3. Originator of Change: Employer: \_\_\_\_\_  
Contractor (by Application for Change Proposal No. \_\_\_\_\_<sup>12</sup>:
  4. Brief Description of Change: \_\_\_\_\_
  5. Facilities and/or Item No. of equipment related to the requested Change: \_\_\_\_\_
  6. Reference drawings and/or technical documents for the request of Change:  

| <u>Drawing No./Document No.</u> | <u>Description</u> |
|---------------------------------|--------------------|
|---------------------------------|--------------------|
  7. Detailed conditions or special requirements on the requested Change: \_\_\_\_\_
  8. General Terms and Conditions:
    - (a) Please submit your estimate to us showing what effect the requested Change will have on the Contract Price.
    - (b) Your estimate shall include your claim for the additional time, if any, for completion of the requested Change.
    - (c) If you have any opinion negative to the adoption of the requested Change in connection with the conformability to the other provisions of the Contract or the safety of the Plant or Facilities, please inform us of your opinion in your proposal of revised provisions.
    - (d) Any increase or decrease in the work of the Contractor relating to the services of its personnel shall be calculated.
    - (e) You shall not proceed with the execution of the work for the requested Change until we have accepted and confirmed the amount and nature in writing.
-

---

(Employer's Name)

---

(Signature)

---

(Name of signatory)

---

(Title of signatory)



---

## Annex 2. Estimate for Change Proposal

(Contractor's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Dear Ladies and/or Gentlemen:

With reference to your Request for Change Proposal, we are pleased to notify you of the approximate cost of preparing the below-referenced Change Proposal in accordance with GCC Sub-Clause 39.2.1 of the General Conditions of Contract. We acknowledge that your agreement to the cost of preparing the Change Proposal, in accordance with GCC Sub-Clause 39.2.2, is required before estimating the cost for change work.

1. Title of Change: \_\_\_\_\_
2. Change Request No./Rev.: \_\_\_\_\_
3. Brief Description of Change: \_\_\_\_\_
4. Scheduled Impact of Change: \_\_\_\_\_
5. Cost for Preparation of Change Proposal: \_\_\_\_\_<sup>13</sup>

| (a) Engineering                                    | (Amount) |
|--|----------|
| (i) Engineer      _____ hrs x _____ rate/hr =      | _____    |
| (ii) Draftsperson      _____ hrs x _____ rate/hr = | _____    |
| Sub-total      _____ hrs                           | _____    |
| Total Engineering Cost                             | _____    |
| (b) Other Cost                                     | _____    |
| Total Cost (a) + (b)                               | _____    |

---

<sup>13</sup> Costs shall be in the currencies of the Contract.

---

(Contractor's Name)

---

(Signature)

---

(Name of signatory)

---

(Title of signatory)

---

### Annex 3. Acceptance of Estimate

(Employer's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Dear Ladies and/or Gentlemen:

We hereby accept your Estimate for Change Proposal and agree that you should proceed with the preparation of the Change Proposal.

1. Title of Change: \_\_\_\_\_
2. Change Request No./Rev.: \_\_\_\_\_
3. Estimate for Change Proposal No./Rev.: \_\_\_\_\_
4. Acceptance of Estimate No./Rev.: \_\_\_\_\_
5. Brief Description of Change: \_\_\_\_\_
6. Other Terms and Conditions: In the event that we decide not to order the Change accepted, you shall be entitled to compensation for the cost of preparation of Change Proposal described in your Estimate for Change Proposal mentioned in para. 3 above in accordance with GCC Clause 39 of the General Conditions of Contract.

---

(Employer's Name)

---

(Signature)

---

(Name and Title of signatory)

---

## Annex 4. Change Proposal

(Contractor's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Dear Ladies and/or Gentlemen:

In response to your Request for Change Proposal No. \_\_\_\_\_, we hereby submit our proposal as follows:

1. Title of Change: \_\_\_\_\_
2. Change Proposal No./Rev.: \_\_\_\_\_
3. Originator of Change: Employer: [ \_\_\_\_\_  
Contractor: \_\_\_\_\_
4. Brief Description of Change: \_\_\_\_\_
5. Reasons for Change: \_\_\_\_\_
6. Facilities and/or Item No. of Equipment related to the requested Change:  
\_\_\_\_\_
7. Reference drawings and/or technical documents for the requested Change:  

| <u>Drawing/Document No.</u> | <u>Description</u> |
|-----------------------------|--------------------|
|                             |                    |
8. Estimate of increase/decrease to the Contract Price resulting from Change Proposal:<sup>14</sup>  

(Amount)

|                                  |       |
|----------------------------------|-------|
| (a) Direct material              | _____ |
| (b) Major construction equipment | _____ |

---

<sup>14</sup> Costs shall be in the currencies of the Contract.

- 
- (c) Direct field labor (Total \_\_\_\_ hrs) \_\_\_\_\_
  - (d) Subcontracts \_\_\_\_\_
  - (e) Indirect material and labor \_\_\_\_\_
  - (f) Site supervision \_\_\_\_\_
  - (g) Head office technical staff salaries
    - Process engineer \_\_\_\_\_ hrs @ \_\_\_\_\_ rate/hr \_\_\_\_\_
    - Project engineer \_\_\_\_\_ hrs @ \_\_\_\_\_ rate/hr \_\_\_\_\_
    - Equipment engineer \_\_\_\_\_ hrs @ \_\_\_\_\_ rate/hr \_\_\_\_\_
    - Procurement \_\_\_\_\_ hrs @ \_\_\_\_\_ rate/hr \_\_\_\_\_
    - Draftsperson \_\_\_\_\_ hrs @ \_\_\_\_\_ rate/hr \_\_\_\_\_
    - Total \_\_\_\_\_ hrs \_\_\_\_\_

- (h) Extraordinary costs (computer, travel, etc.) \_\_\_\_\_
- (i) Fee for general administration, \_\_\_\_ % of Items \_\_\_\_\_
- (j) Taxes and customs duties \_\_\_\_\_

Total lump sum cost of Change Proposal \_\_\_\_\_

*(Sum of items (a) to (j))*

Cost to prepare Estimate for Change Proposal \_\_\_\_\_

*(Amount payable if Change is not accepted)*

- 9. Additional time for Completion required due to Change Proposal
- 10. Effect on the Functional Guarantees
- 11. Effect on the other terms and conditions of the Contract
- 12. Validity of this Proposal: within [Number] days after receipt of this Proposal by the Employer
- 13. Other terms and conditions of this Change Proposal:
  - (a) You are requested to notify us of your acceptance, comments or rejection of this detailed Change Proposal within \_\_\_\_\_ days from your receipt of this Proposal.

- 
- (b) The amount of any increase and/or decrease shall be taken into account in the adjustment of the Contract Price.
  - (c) Contractor's cost for preparation of this Change Proposal:<sup>2</sup>

---

(Contractor's Name)

---

(Signature)

---

(Name of signatory)

---

(Title of signatory)

---

<sup>2</sup> Specify where necessary.

---

## Annex 5. Change Order

(Employer's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Dear Ladies and/or Gentlemen:

We approve the Change Order for the work specified in the Change Proposal (No. \_\_\_\_\_), and agree to adjust the Contract Price, Time for Completion and/or other conditions of the Contract in accordance with GCC Clause 39 of the General Conditions of Contract.

1. Title of Change: \_\_\_\_\_
  2. Change Request No./Rev.: \_\_\_\_\_
  3. Change Order No./Rev.: \_\_\_\_\_
  4. Originator of Change: Employer: \_\_\_\_\_  
Contractor: \_\_\_\_\_
  5. Authorized Price:  
Ref. No.: \_\_\_\_\_ Date: \_\_\_\_\_  
Foreign currency portion \_\_\_\_\_ plus Local currency portion \_\_\_\_\_
  6. Adjustment of Time for Completion  
None                      Increase \_\_\_\_\_ days                      Decrease \_\_\_\_\_ days
  7. Other effects, if any
- Authorized by: \_\_\_\_\_ Date: \_\_\_\_\_  
(Employer)

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_  
(Contractor)

---

**Annex 6. Pending Agreement Change Order**  
(Employer's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: [ \_\_\_\_\_

Dear Ladies and/or Gentlemen:

We instruct you to carry out the work in the Change Order detailed below in accordance with GCC Clause 39 of the General Conditions of Contract.

1. Title of Change: \_\_\_\_\_
2. Employer's Request for Change Proposal No./Rev.:  
\_\_\_\_\_ dated: \_\_\_\_\_
3. Contractor's Change Proposal No./Rev.: \_\_\_\_\_ dated:  
\_\_\_\_\_
4. Brief Description of Change: \_\_\_\_\_
5. Facilities and/or Item No. of equipment related to the requested Change:  
\_\_\_\_\_
6. Reference Drawings and/or technical documents for the requested Change:  

| <u>Drawing/Document No.</u> | <u>Description</u> |
|-----------------------------|--------------------|
|-----------------------------|--------------------|
7. Adjustment of Time for Completion:
8. Other change in the Contract terms:
9. Other terms and conditions:

---

(Employer's Name)



---

(Signature)

---

(Name of signatory)

---

(Title of signatory)

---

## Annex 7. Application for Change Proposal

(Contractor's Letterhead)

To: \_\_\_\_\_

Date: \_\_\_\_\_

Attention: \_\_\_\_\_

Contract Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

Dear Ladies and/or Gentlemen:

We hereby propose that the below-mentioned work be treated as a Change in the Facilities.

1. Title of Change: \_\_\_\_\_
2. Application for Change Proposal No / Rev.: \_\_\_\_\_ dated:  
\_\_\_\_\_
3. Brief Description of Change: \_\_\_\_\_
4. Reasons for Change:
5. Order of Magnitude Estimation (in the currencies of the Contract):
6. Scheduled Impact of Change:
7. Effect on Functional Guarantees, if any:
8. Appendix:

---

(Contractor's Name)

---

(Signature)

---

(Name of signatory)

---

(Title of signatory)

---

## Drawings

## Supplementary Information

### **ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY MANAGEMENT PLAN FOR PROPOSED SOLAR MINI-GRID FOR COMMUNITY FACILITIES, ENTERPRISES, AND HOUSEHOLDS -COMPONENT 1 OF THE KENYA OFF-GRID SOLAR ACCESS PROJECT**

Bidders must familiarize themselves with the project ESMP requirements and fully incorporate them in their proposal. The general ESMP is available through the following link: <https://www.rerec.co.ke/tender-notice.php>

## Supplementary Information

# **PART 3 – Conditions of Contract and Contract Forms**



## Section VIII - General Conditions of Contract

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# General Conditions of Contract

## A. Contract and Interpretation

### 1. Definitions

1.1. The following words and expressions shall have the meanings hereby assigned to them:

**“Contract”** means the Contract Agreement entered into between the Employer and the Contractor, together with the Contract Documents referred to therein; they shall constitute the Contract, and the term “the Contract” shall in all such documents be construed accordingly.

**“Contract Documents”** means the documents listed in Article 1.1 (Contract Documents) of the Contract Agreement (including any amendments thereto).

**“GCC”** means the General Conditions of Contract hereof.

**“PCC”** means the Particular Conditions of Contract.

**“day”** means calendar day.

**“year”** means 365 days.

**“month”** means calendar month.

**“Party”** means the Employer or the Contractor, as the context requires, and “Parties” means both of them.

**“Employer”** means the person **named as such in the PCC** and includes the legal successors or permitted assigns of the Employer.

**“Project Manager”** means the person appointed by the Employer in the manner provided in GCC Sub-Clause 17.1 (Project Manager) hereof and **named as such in the PCC** to perform the duties delegated by the Employer.

**“Contractor”** means the person(s) whose Bid to perform the Contract has been accepted by the Employer and is named as Contractor in the Contract Agreement, and includes the legal successors or permitted assigns of the Contractor.

**“Contractor’s Representative”** means any person nominated by the Contractor and approved by the Employer in the manner provided in GCC Sub-Clause 17.2 (Contractor’s Representative and Construction Manager) hereof to perform the duties delegated by the Contractor.

**“Construction Manager”** means the person appointed by the Contractor’s Representative in the manner provided in GCC Sub-Clause 17.2.4.

**“Subcontractor,”** including manufacturers, means any person to whom execution of any part of the Facilities, including preparation of any design or supply of any Plant, is sub-contracted directly or indirectly by the Contractor, and includes its legal successors or permitted assigns.

**“Dispute Board” (DB)** means the person or persons named as such in the PCC appointed by agreement between the Employer and the Contractor to make a decision with respect to any dispute or difference between the Employer and the Contractor referred to him or her by the Parties pursuant to GCC Sub-Clause 46.1 (Dispute Board) hereof.

**“The Bank”** means the financing institution **named in the PCC.**

**“Contract Price”** means the sum specified in Article 2.1 (Contract Price) of the Contract Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract.

**“Facilities”** means the Plant to be supplied and installed, as well as all the Installation Services to be carried out by the Contractor under the Contract.

**“Plant”** means permanent plant, equipment, machinery, apparatus, materials, articles and things of all kinds to be provided and incorporated in the Facilities by the Contractor under the Contract (including the spare parts to be supplied by the Contractor under GCC Sub-Clause 7.3 hereof), but does not include Contractor’s Equipment.

**“Installation Services”** means all those services ancillary to the supply of the Plant for the Facilities, to be provided by the Contractor under the Contract, such as transportation and provision of marine or other similar insurance, inspection, expediting, site preparation works (including the provision and use of Contractor’s Equipment and the supply of all construction materials required), installation, testing, precommissioning, commissioning, operations, maintenance, the provision of operations and maintenance manuals, training, etc... as the case may require.

**“Contractor’s Equipment”** means all facilities, equipment, machinery, tools, apparatus, appliances or things of every kind required in or for installation, completion and maintenance of Facilities that are to be provided by the Contractor, but does not include Plant, or other things intended to form or forming part of the Facilities.

**“Country of Origin”** means the countries and territories eligible under the rules of the Bank as further **elaborated in the PCC.**

**“Site”** means the land and other places upon which the Facilities are to be installed, and such other land or places as may be specified in the Contract as forming part of the Site.

**“Effective Date”** means the date of fulfillment of all conditions stated in Article 3 (Effective Date) of the Contract Agreement, from which the Time for Completion shall be counted.

**“Time for Completion”** means the time within which Completion of the Facilities as a whole (or of a part of the Facilities where a separate Time for Completion of such part has been prescribed) is to be attained, as referred to in GCC Clause 8 and in accordance with the relevant provisions of the Contract.

**“Completion”** means that the Facilities (or a specific part thereof where specific parts are specified in the Contract) have been completed operationally and structurally and put in a tight and clean condition, that all work in respect of Precommissioning of the Facilities or such specific part thereof has been completed, and that the Facilities or specific part thereof are ready for Commissioning as provided in GCC Clause 24 (Completion) hereof.

**“Precommissioning”** means the testing, checking and other requirements specified in the Employer’s Requirements that are to be carried out by the Contractor in preparation for Commissioning as provided in GCC Clause 24 (Completion) hereof.

**“Commissioning”** means operation of the Facilities or any part thereof by the Contractor following Completion, which operation is to be carried out by the Contractor as provided in GCC Sub-Clause 25.1 (Commissioning) hereof, for the purpose of carrying out Guarantee Test(s).

**“Guarantee Test(s)”** means the test(s) specified in the Employer’s Requirements to be carried out to ascertain whether the Facilities or a specified part thereof is able to attain the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees, in accordance with the provisions of GCC Sub-Clause 25.2 (Guarantee Test) hereof.

**“Operational Acceptance”** means the acceptance by the Employer of the Facilities (or any part of the Facilities where the Contract provides for acceptance of the Facilities in parts), which certifies the Contractor’s fulfillment of the Contract in respect of Functional Guarantees of the Facilities (or the relevant part thereof) in accordance with the provisions of GCC Clause 28 (Functional Guarantees) hereof and shall include deemed acceptance in accordance with GCC Clause 25 (Commissioning and Operational Acceptance) hereof.

**“Defect Liability Period”** means the period of validity of the warranties given by the Contractor commencing at Completion of the Facilities or a part thereof, during which the Contractor is responsible for defects with respect to the Facilities (or the relevant part thereof) as provided in GCC Clause 27 (Defect Liability) hereof.

**“ES”** means Environmental and Social (including Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH)).

**“Sexual Exploitation and Abuse” “(SEA)”** means the following:

**Sexual Exploitation** is defined as any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.

**Sexual Abuse** is defined as the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.

**“Sexual Harassment” “(SH)”** is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature by the Contractor’s Personnel with other Contractor’s Personnel or Employer’s Personnel;

**“Contractor’s Personnel”** means all personnel whom the Contractor utilizes in the execution of the Contract, including the staff, labor and other employees of the Contractor and each Subcontractor; and any other personnel assisting the Contractor in the execution of the Contract; and

**“Employer’s Personnel”** means all staff, labor and other employees of the Project Manager and of the Employer engaged in fulfilling the Employer’s obligations under the Contract; and any other personnel identified as Employer’s Personnel, by a notice from the Employer to the Contractor.

2. **Contract Documents**

2.1. Subject to Article 1.2 (Order of Precedence) of the Contract Agreement, all documents forming part of the Contract (and all parts thereof) are intended to be correlative, complementary and mutually explanatory. The Contract shall be read as a whole.

3. **Interpretation**

3.1. In the Contract, except where the context requires otherwise:

- (a) words indicating one gender include all genders;
- (b) words indicating the singular also include the plural and words indicating the plural also include the singular;
- (c) provisions including the word “agree,” “agreed,” or “agreement” require the agreement to be recorded in writing;
- (d) the word “tender” is synonymous with “Bid,” “tenderer,” with “Bidder,” and “tender documents” with “Bidding Document,” and
- (e) “written” or “in writing” means hand-written, type-written, printed or electronically made, and resulting in a permanent record.

The marginal words and other headings shall not be taken into consideration in the interpretation of these Conditions.

3.2. Incoterms

Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of Parties thereunder shall be as prescribed by *Incoterms*.

*Incoterms* means international rules for interpreting trade terms published by the International Chamber of Commerce (latest edition), 38 Cours Albert 1<sup>er</sup>, 75008 Paris, France.

3.3. Entire Agreement

Subject to GCC Sub-Clause 16.4 hereof, the Contract constitutes the entire agreement between the Employer and Contractor with respect to the subject matter of Contract and supersedes all communications, negotiations and agreements (whether written or oral) of Parties with respect thereto made prior to the date of Contract.

3.4. Amendment

No amendment or other variation of the Contract shall be effective unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each Party hereto.

3.5. Independent Contractor

The Contractor shall be an independent contractor performing the Contract. The Contract does not create any agency, partnership, joint venture or other joint relationship between the Parties hereto. Subject to the provisions of the Contract, the Contractor shall be solely responsible for the manner in which the Contract is performed. All employees, representatives or Subcontractors engaged by the Contractor in connection with the performance of the Contract shall be under the complete control of the Contractor and shall not be deemed to be employees of the Employer, and nothing contained in the Contract or in any subcontract awarded by the Contractor shall be construed to create any contractual relationship between any such employees, representatives or Subcontractors and the Employer.

3.6. Non-Waiver

3.6.1 Subject to GCC Sub-Clause 3.6.2 below, no relaxation, forbearance, delay or indulgence by either Party in enforcing any of the terms and conditions of the Contract or the granting of time by either Party to the other shall prejudice, affect or restrict the rights of that Party under the Contract, nor shall any waiver by either Party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

3.6.2 Any waiver of a Party's rights, powers or remedies under the Contract must be in writing, must be dated and signed by an authorized representative of the Party granting such

waiver, and must specify the right and the extent to which it is being waived.

3.7. Severability

If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

3.8. Country of Origin

“Origin” means the place where the plant and component parts thereof are mined, grown, produced or manufactured, and from which the services are provided. Plant components are produced when, through manufacturing, processing, or substantial or major assembling of components, a commercially recognized product results that is substantially different in its basic characteristics or in purpose or utility from its components.

4. **Communications**

- 4.1. Wherever these Conditions provide for the giving or issuing of approvals, certificates, consents, determinations, notices, requests and discharges, these communications shall be:
- (a) in writing and delivered against receipt; and
  - (b) delivered, sent or transmitted to the address for the recipient’s communications as stated in the Contract Agreement.

When a certificate is issued to a Party, the certifier shall send a copy to the other Party. When a notice is issued to a Party, by the other Party or the Project Manager, a copy shall be sent to the Project Manager or the other Party, as the case may be.

5. **Law and Language**

- 5.1. The Contract shall be governed by and interpreted in accordance with laws of the country **specified in the PCC**.
- 5.2. The ruling language of the Contract shall be that **stated in the PCC**.
- 5.3. The language for communications shall be the ruling language unless otherwise **stated in the PCC**.

6. **Fraud and Corruption**

- 6.1. The Bank requires compliance with the Bank’s Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the WBG’s Sanctions Framework, as set forth in Appendix B to the GCC.
- 6.2. The Employer requires the Contractor to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the Bidding process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee.

**B. Subject Matter of Contract**

7. **Scope of Facilities**

- 7.1. Unless otherwise expressly limited in the Employer’s Requirements, the Contractor’s obligations cover the provision of



all Plant and the performance of all Installation Services required for the design, and the manufacture (including procurement, quality assurance, construction, installation, associated civil works, Precommissioning and delivery) of the Plant, and the installation, completion and commissioning of the Facilities in accordance with the plans, procedures, specifications, drawings, codes and any other documents as specified in the Section, Employer's Requirements. Such specifications include, but are not limited to, the provision of supervision and engineering services; the supply of labor, materials, equipment, spare parts (as specified in GCC Sub-Clause 7.3 below) and accessories; Contractor's Equipment; construction utilities and supplies; temporary materials, structures and facilities; transportation (including, without limitation, unloading and hauling to, from and at the Site); and storage, except for those supplies, works and services that will be provided or performed by the Employer, as set forth in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer.

- 7.2. The Contractor shall, unless specifically excluded in the Contract, perform all such work and/or supply all such items and materials not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Completion of the Facilities as if such work and/or items and materials were expressly mentioned in the Contract.
- 7.3. In addition to the supply of Mandatory Spare Parts included in the Contract, the Contractor agrees to supply spare parts required for the operation and maintenance of the Facilities for the period **specified in the PCC** and the provisions, if any, **specified in the PCC**. However, the identity, specifications and quantities of such spare parts and the terms and conditions relating to the supply thereof are to be agreed between the Employer and the Contractor, and the price of such spare parts shall be that given in Price Schedule No. 6, which shall be added to the Contract Price. The price of such spare parts shall include the purchase price therefor and other costs and expenses (including the Contractor's fees) relating to the supply of spare parts.

- 8. Time for Commencement and Completion**
- 8.1. The Contractor shall commence work on the Facilities within the period **specified in the PCC** and without prejudice to GCC Sub-Clauses 9.9 and 26.2 hereof, the Contractor shall thereafter proceed with the Facilities in accordance with the time schedule specified in the Appendix to the Contract Agreement titled Time Schedule.
- 8.2. The Contractor shall attain Completion of the Facilities or of a part where a separate time for Completion of such part is specified in the Contract, within the time **stated in the PCC** or within such extended time to which the Contractor shall be entitled under GCC Clause 40 hereof.
- 9. Contractor's Responsibilities**
- 9.1. The Contractor shall design, manufacture including associated purchases and/or subcontracting, install and complete the Facilities in accordance with the Contract. When completed, the Facilities should be fit for the purposes for which they are intended as defined in the Contract.
- 9.2. The Contractor confirms that it has entered into this Contract on the basis of a proper examination of the data relating to the Facilities including any data as to boring tests provided by the Employer, and on the basis of information that the Contractor could have obtained from a visual inspection of the Site if access thereto was available and of other data readily available to it relating to the Facilities as of the date twenty-eight (28) days prior to Bid submission. The Contractor acknowledges that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Facilities.
- 9.3. The Contractor shall acquire and pay for all permits, approvals and/or licenses from all local, state or national government authorities or public service undertakings in the country where the Site is located which such authorities or undertakings require the Contractor to obtain in its name and which are necessary for the performance of the Contract, including, without limitation, visas for the Contractor's and Subcontractor's personnel and entry permits for all imported Contractor's Equipment. The Contractor shall acquire all other permits, approvals and/or licenses that are not the responsibility of the Employer under GCC Sub-Clause 10.3 hereof and that are necessary for the performance of the Contract.
- 9.4. The Contractor shall comply with all laws in force in the country where the Facilities are to be implemented. The laws will include all local, state, national or other laws that affect the performance of the Contract and bind upon the Contractor. The Contractor shall indemnify and hold harmless the Employer from and against

any and all liabilities, damages, claims, fines, penalties and expenses of whatever nature arising or resulting from the violation of such laws by the Contractor or its personnel, including the Subcontractors and their personnel, but without prejudice to GCC Sub-Clause 10.1 hereof.

- 9.5. Any Plant and Installation Services that will be incorporated in or be required for the Facilities and other supplies shall have their origin as specified under GCC Clause 1 (Country of Origin). Any subcontractors retained by the Contractor shall be from a country as specified in GCC Clause 1 (Country of Origin).
- 9.6. If the Contractor is a joint venture, or association (JV) of two or more persons, all such persons shall be jointly and severally bound to the Employer for the fulfillment of the provisions of the Contract, and shall designate one of such persons to act as a leader with authority to bind the JV. The composition or the constitution of the JV shall not be altered without the prior consent of the Employer.
- 9.7. Pursuant to paragraph 2.2 e. of Appendix B to the General Conditions of Contract the Contractor shall permit and shall cause its agents (where declared or not), subcontractors, subconsultants, service providers, suppliers, and personnel, to permit, the Bank and/or persons appointed by the Bank to inspect the site and/or the accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have such accounts, records and other documents audited by auditors appointed by the Bank. The Contractor's and its Subcontractors' and subconsultants' attention is drawn to Sub-Clause 6.1 (Fraud and Corruption) which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank's prevailing sanctions procedures).
- 9.8. The Contractor shall conform to the sustainable procurement contractual provisions, if and as specified in the PCC.
- 9.9. Contractor's Environmental and Social Management Plan (C-ESMP)  
The Contractor shall not carry out mobilization to Site unless the Project Manager gives approval, an approval that shall not be unreasonably delayed, to the measures the Contractor proposes to address environmental and social risks and impacts including the code of conduct, in accordance with GCC Sub-Clause 22.4. The Contractor shall submit, to the Project Manager for Review, any additional Management Strategies and Implementation

Plans as are necessary to manage the ES risks and impacts of the Facilities. These Management Strategies and Implementation Plans collectively comprise the Contractor's Environmental and Social Management Plan (C-ESMP).

The Contractor shall review the C-ESMP, periodically (but not less than every six (6) months), and update it as required to ensure that it contains measures appropriate to the Facilities. The updated C-ESMP shall be submitted to the Project Manager for its approval.

9.10. Training of Contractor's Personnel

The Contractor shall provide appropriate training to relevant Contractor's Personnel on ES aspects of the Contract, including appropriate sensitization on prohibition of SEA and health and safety training referred to in GCC Sub-Clause 22.2.7.

As stated in the Employer's Requirements or as instructed by the Project Manager, the Contractor shall also allow appropriate opportunities for the relevant Contractor's Personnel to be trained on ES aspects of the Contract by the Employer's personnel and/or other personnel assigned by the Employer. The Contractor shall provide training on SEA and SH, including its prevention, to any of its personnel who has a role to supervise other Contractor's Personnel.

**10. Employer's Responsibilities**

10.1. All information and/or data to be supplied by the Employer as described in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, shall be deemed to be accurate, except when the Employer expressly states otherwise.

10.2. The Employer shall be responsible for acquiring and providing legal and physical possession of the Site and access thereto, and for providing possession of and access to all other areas reasonably required for the proper execution of the Contract, including all requisite rights of way, as specified in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer. The Employer shall give full possession of and accord all rights of access thereto on or before the date(s) specified in that Appendix.

10.3. The Employer shall acquire and pay for all permits, approvals and/or licenses from all local, state or national government authorities or public service undertakings in the country where the Site is located which (a) such authorities or undertakings require the Employer to obtain in the Employer's name, (b) are necessary for the execution of the Contract, including those required for the performance by both the Contractor and the Employer of their respective obligations under the Contract, and

- (c) are specified in the Appendix (Scope of Works and Supply by the Employer).
- 10.4. If requested by the Contractor, the Employer shall use its best endeavors to assist the Contractor in obtaining in a timely and expeditious manner all permits, approvals and/or licenses necessary for the execution of the Contract from all local, state or national government authorities or public service undertakings that such authorities or undertakings require the Contractor or Subcontractors or the personnel of the Contractor or Subcontractors, as the case may be, to obtain.
  - 10.5. Unless otherwise specified in the Contract or agreed upon by the Employer and the Contractor, the Employer shall provide sufficient, properly qualified operating and maintenance personnel; shall supply and make available all raw materials, utilities, lubricants, chemicals, catalysts, other materials and facilities; and shall perform all work and services of whatsoever nature, including those required by the Contractor to properly carry out Precommissioning, Commissioning and Guarantee Tests, all in accordance with the provisions of the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, at or before the time specified in the program furnished by the Contractor under GCC Sub-Clause 18.2 hereof and in the manner thereupon specified or as otherwise agreed upon by the Employer and the Contractor.
  - 10.6. The Employer shall be responsible for the continued operation of the Facilities after Completion, in accordance with GCC Sub-Clause 24.8, and shall be responsible for facilitating the Guarantee Test(s) for the Facilities, in accordance with GCC Sub-Clause 25.2.
  - 10.7. All costs and expenses involved in the performance of the obligations under this GCC Clause 10 shall be the responsibility of the Employer, save those to be incurred by the Contractor with respect to the performance of Guarantee Tests, in accordance with GCC Sub-Clause 25.2.
  - 10.8. In the event that the Employer shall be in breach of any of his obligations under this Clause, the additional cost incurred by the Contractor in consequence thereof shall be determined by the Project Manager and added to the Contract Price.

## C. Payment

- 11. Contract Price**
- 11.1. The Contract Price shall be as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.
  - 11.2. Unless an adjustment clause is **provided for in the PCC**, the Contract Price shall be a firm lump sum not subject to any alteration, except in the event of a Change in the Facilities or as otherwise provided in the Contract.
  - 11.3. Subject to GCC Sub-Clauses 9.2, 10.1 and 35 hereof, the Contractor shall be deemed to have satisfied itself as to the correctness and sufficiency of the Contract Price, which shall, except as otherwise provided for in the Contract, cover all its obligations under the Contract.
- 12. Terms of Payment**
- 12.1. The Contract Price shall be paid as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement and in the Appendix to the Contract Agreement titled Terms and Procedures of Payment, which also outlines the procedures to be followed in making application for and processing payments.
  - 12.2. No payment made by the Employer herein shall be deemed to constitute acceptance by the Employer of the Facilities or any part(s) thereof.
  - 12.3. In the event that the Employer fails to make any payment by its respective due date or within the period set forth in the Contract, the Employer shall pay to the Contractor interest on the amount of such delayed payment at the rate(s) shown in the Appendix to the Contract Agreement titled Terms and Procedures of Payment, for the period of delay until payment has been made in full, whether before or after judgment or arbitration award.
  - 12.4. The currency or currencies in which payments are made to the Contractor under this Contract shall be specified in the Appendix to the Contract Agreement titled Terms and Procedures of Payment, subject to the general principle that payments will be made in the currency or currencies in which the Contract Price has been stated in the Contractor's Bid.
- 13. Securities**
- 13.1. Issuance of Securities  
The Contractor shall provide the securities specified below in favor of the Employer at the times, and in the amount, manner and form specified below.
  - 13.2. Advance Payment Security
    - 13.2.1 The Contractor shall, within twenty-eight (28) days of the notification of contract award, provide a security in an amount equal to the advance payment calculated in accordance with the Appendix to the Contract

Agreement titled Terms and Procedures of Payment, and in the same currency or currencies.

- 13.2.2 The security shall be in the form provided in the Bidding documents or in another form acceptable to the Employer. The amount of the security shall be reduced in proportion to the value of the Facilities executed by and paid to the Contractor from time to time, and shall automatically become null and void when the full amount of the advance payment has been recovered by the Employer. The security shall be returned to the Contractor immediately after its expiration.

13.3. Performance Security

- 13.3.1 The Contractor shall, within twenty-eight (28) days of the notification of contract award, provide a security for the due performance of the Contract in the amount **specified in the PCC.**
- 13.3.2 The Performance Security shall be denominated in the currency or currencies of the Contract, or in a freely convertible currency acceptable to the Employer, and shall be in the form provided in Section X, Contract Forms, corresponding to the type of bank guarantee stipulated by the Employer in the PCC, or in another form acceptable to the Employer.
- 13.3.3 Unless otherwise specified in the PCC, the security shall be reduced by half on the date of the Operational Acceptance. The Security shall become null and void, or shall be reduced pro rata to the Contract Price of a part of the Facilities for which a separate Time for Completion is provided, five hundred and forty (540) days after Completion of the Facilities or three hundred and sixty five (365) days after Operational Acceptance of the Facilities, whichever occurs first; provided, however, that if the Defects Liability Period has been extended on any part of the Facilities pursuant to GCC Sub-Clause 27.8 hereof, the Contractor shall issue an additional security in an amount proportionate to the Contract Price of that part. The security shall be returned to the Contractor immediately after its expiration, provided, however, that if the Contractor, pursuant to GCC Sub-Clause 27.10, is liable for an extended defect liability obligation, the Performance Security shall be extended for the period specified in the PCC pursuant to GCC Sub-Clause 27.10 and up to the amount specified in the PCC.

13.3.4 The Employer shall not make a claim under the Performance Security, except for amounts to which the Employer is entitled under the Contract. The Employer shall indemnify and hold the Contractor harmless against and from all damages, losses and expenses (including legal fees and expenses) resulting from a claim under the Performance Security to the extent to which the Employer was not entitled to make the claim.

**14. Taxes and Duties**

- 14.1. Except as otherwise specifically provided in the Contract, the Contractor shall bear and pay all taxes, duties, levies and charges assessed on the Contractor, its Subcontractors or their employees by all municipal, state or national government authorities in connection with the Facilities in and outside of the country where the Site is located.
- 14.2. Notwithstanding GCC Sub-Clause 14.1 above, the Employer shall bear and promptly pay
- (a) all customs and import duties for the Plant specified in Price Schedule No. 1; and
  - (b) other domestic taxes such as, sales tax and value added tax (VAT) on the Plant specified in Price Schedules No. 1 and No. 2 and that is to be incorporated into the Facilities, and on the finished goods, imposed by the law of the country where the Site is located.
- 14.3. If any tax exemptions, reductions, allowances or privileges may be available to the Contractor in the country where the Site is located, the Employer shall use its best endeavors to enable the Contractor to benefit from any such tax savings to the maximum allowable extent.
- 14.4. For the purpose of the Contract, it is agreed that the Contract Price specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement is based on the taxes, duties, levies and charges prevailing at the date twenty-eight (28) days prior to the date of Bid submission in the country where the Site is located (hereinafter called “Tax” in this GCC Sub-Clause 14.4). If any rates of Tax are increased or decreased, a new Tax is introduced, an existing Tax is abolished, or any change in interpretation or application of any Tax occurs in the course of the performance of Contract, which was or will be assessed on the Contractor, Subcontractors or their employees in connection with performance of the Contract, an equitable adjustment of the Contract Price shall be made to fully take into account any such change by addition to the Contract Price or deduction therefrom, as the case may be, in accordance with GCC Clause 36 hereof.



## **D. Intellectual Property**

- 15. License/Use of Technical Information**
- 15.1. For the operation and maintenance of the Plant, the Contractor hereby grants a non-exclusive and non-transferable license (without the right to sub-license) to the Employer under the patents, utility models or other industrial property rights owned by the Contractor or by a third Party from whom the Contractor has received the right to grant licenses thereunder, and shall also grant to the Employer a non-exclusive and non-transferable right (without the right to sub-license) to use the know-how and other technical information disclosed to the Employer under the Contract. Nothing contained herein shall be construed as transferring ownership of any patent, utility model, trademark, design, copyright, know-how or other intellectual property right from the Contractor or any third Party to the Employer.
- 15.2. The copyright in all drawings, documents and other materials containing data and information furnished to the Employer by the Contractor herein shall remain vested in the Contractor or, if they are furnished to the Employer directly or through the Contractor by any third Party, including suppliers of materials, the copyright in such materials shall remain vested in such third Party.
- 16. Confidential Information**
- 16.1. The Employer and the Contractor shall keep confidential and shall not, without the written consent of the other Party hereto, divulge to any third Party any documents, data or other information furnished directly or indirectly by the other Party hereto in connection with the Contract, whether such information has been furnished prior to, during or following termination of the Contract. Notwithstanding the above, the Contractor may furnish to its Subcontractor(s) such documents, data and other information it receives from the Employer to the extent required for the Subcontractor(s) to perform its work under the Contract, in which event the Contractor shall obtain from such Subcontractor(s) an undertaking of confidentiality similar to that imposed on the Contractor under this GCC Clause 16.
- 16.2. The Employer shall not use such documents, data and other information received from the Contractor for any purpose other than the operation and maintenance of the Facilities. Similarly, the Contractor shall not use such documents, data and other information received from the Employer for any purpose other than the design, procurement of Plant, construction or such

other work and services as are required for the performance of the Contract.

- 16.3. The obligation of a Party under GCC Sub-Clauses 16.1 and 16.2 above, however, shall not apply to that information which
- (a) now or hereafter enters the public domain through no fault of that Party
  - (b) can be proven to have been possessed by that Party at the time of disclosure and which was not previously obtained, directly or indirectly, from the other Party hereto
  - (c) otherwise lawfully becomes available to that Party from a third Party that has no obligation of confidentiality
  - (d) is being provided to the Bank.
- 16.4. The above provisions of this GCC Clause 16 shall not in any way modify any undertaking of confidentiality given by either of the Parties hereto prior to the date of the Contract in respect of the Facilities or any part thereof.
- 16.5. The provisions of this GCC Clause 16 shall survive termination, for whatever reason, of the Contract.

#### **E. Execution of the Facilities**

### **17. Representatives**

#### **17.1. Project Manager**

If the Project Manager is not named in the Contract, then within fourteen (14) days of the Effective Date, the Employer shall appoint and notify the Contractor in writing of the name of the Project Manager. The Employer may from time to time appoint some other person as the Project Manager in place of the person previously so appointed, and shall give a notice of the name of such other person to the Contractor without delay. No such appointment shall be made at such a time or in such a manner as to impede the progress of work on the Facilities. Such appointment shall only take effect upon receipt of such notice by the Contractor. The Project Manager shall represent and act for the Employer at all times during the performance of the Contract. All notices, instructions, orders, certificates, approvals and all other communications under the Contract shall be given by the Project Manager, except as herein otherwise provided. All notices, instructions, information and other communications given by the Contractor to the Employer under the Contract shall be given to the Project Manager, except as herein otherwise provided.

#### **17.2. Contractor's Representative & Construction Manager**

- 17.2.1 If the Contractor's Representative is not named in the Contract, then within fourteen (14) days of the Effective Date, the Contractor shall appoint the Contractor's Representative and shall request the Employer in writing to approve the person so appointed. If the Employer makes no objection to the appointment within fourteen (14) days, the Contractor's Representative shall be deemed to have been approved. If the Employer objects to the appointment within fourteen (14) days giving the reason therefor, then the Contractor shall appoint a replacement within fourteen (14) days of such objection, and the foregoing provisions of this GCC Sub-Clause 17.2.1 shall apply thereto.
- 17.2.2 The Contractor's Representative shall represent and act for the Contractor at all times during the performance of the Contract and shall give to the Project Manager all the Contractor's notices, instructions, information and all other communications under the Contract. All notices, instructions, information and all other communications given by the Employer or the Project Manager to the Contractor under the Contract shall be given to the Contractor's Representative or, in its absence, its deputy, except as herein otherwise provided. The Contractor shall not revoke the appointment of the Contractor's Representative without the Employer's prior written consent, which shall not be unreasonably withheld. If the Employer consents thereto, the Contractor shall appoint some other person as the Contractor's Representative, pursuant to the procedure set out in GCC Sub-Clause 17.2.1.
- 17.2.3 The Contractor's Representative may, subject to the approval of the Employer which shall not be unreasonably withheld, at any time delegate to any person any of the powers, functions and authorities vested in him or her. Any such delegation may be revoked at any time. Any such delegation or revocation shall be subject to a prior notice signed by the Contractor's Representative, and shall specify the powers, functions and authorities thereby delegated or revoked. No such delegation or revocation shall take effect unless and until a copy

thereof has been delivered to the Employer and the Project Manager.

Any act or exercise by any person of powers, functions and authorities so delegated to him or her in accordance with this GCC Sub-Clause 17.2.3 shall be deemed to be an act or exercise by the Contractor's Representative.

17.2.4 From the commencement of installation of the Facilities at the Site until Completion, the Contractor's Representative shall appoint a suitable person as the Construction Manager. The Construction Manager shall supervise all work done at the Site by the Contractor and shall be present at the Site throughout normal working hours except when on leave, sick or absent for reasons connected with the proper performance of the Contract. Whenever the Construction Manager is absent from the Site, a suitable person shall be appointed to act as the Construction Manager's deputy.

17.2.5 The Project Manager may require the Contractor to remove (or cause to be removed) the Contractor's Representative or any other person employed by the Contractor in the execution of the Contract, who:

- (a) persists in any misconduct or lack of care;
- (b) carries out duties incompetently or negligently;
- (c) fails to comply with any provision of the Contract;
- (d) persists in any conduct which is prejudicial to safety, health, or the protection of the environment;
- (e) based on reasonable evidence, is determined to have engaged in Fraud and Corruption during the execution of the Contract;
- (f) has been recruited from the Employer's Personnel in breach of GCC Sub-Clause 22.2.2;
- (g) undertakes behavior which breaches the Code of Conduct (ES), as applicable;

If appropriate, the Contractor shall then promptly appoint (or cause to be appointed) a suitable replacement with equivalent skills and experience. Notwithstanding any requirement from the Project Manager to remove or cause to remove any person, the Contractor shall take immediate action as

appropriate in response to any violation of (a) through (g) above. Such immediate action shall include removing (or causing to be removed) from the Site or other places where the Contract is being executed, any Contractor's Personnel who engages in (a), (b), (c), (d), (e) or (g) above or has been recruited as stated in (f) above.

17.2.6 If any representative or person employed by the Contractor is removed in accordance with GCC Sub-Clause 17.2.5, the Contractor shall, where required, promptly appoint a suitable replacement with equivalent skills and experience.

## 18. Work Program

### 18.1. Contractor's Organization

The Contractor shall supply to the Employer and the Project Manager a chart showing the proposed organization to be established by the Contractor for carrying out work on the Facilities within twenty-one (21) days of the Effective Date. The chart shall include the identities of the key personnel and the curricula vitae of such key personnel to be employed shall be supplied together with the chart. The Contractor shall promptly inform the Employer and the Project Manager in writing of any revision or alteration of such an organization chart.

### 18.2. Program of Performance

Within twenty-eight (28) days after the Effective Date, the Contractor shall submit to the Project Manager a detailed program of performance of the Contract, made in a form acceptable to the Project Manager and showing the sequence in which it proposes to design, manufacture, transport, assemble, install and precommission the Facilities, as well as the date by which the Contractor reasonably requires that the Employer shall have fulfilled its obligations under the Contract so as to enable the Contractor to execute the Contract in accordance with the program and to achieve Completion, Commissioning and Acceptance of the Facilities in accordance with the Contract. The program so submitted by the Contractor shall accord with the Time Schedule included in the Appendix to the Contract Agreement titled Time Schedule, and any other dates and periods specified in the Contract. The Contractor shall update and revise the program as and when appropriate or when required by the Project Manager, but without modification in the Times for Completion specified in the PCC pursuant to Sub-Clause 8.2

and any extension granted in accordance with GCC Clause 40, and shall submit all such revisions to the Project Manager.

### 18.3. Progress Report

The Contractor shall monitor progress of all the activities specified in the program referred to in GCC Sub-Clause 18.2 above, and supply a progress report to the Project Manager every month.

The progress report shall be in a form acceptable to the Project Manager and shall indicate: (a) percentage completion achieved compared with the planned percentage completion for each activity; and (b) where any activity is behind the program, giving comments and likely consequences and stating the corrective action being taken.

Unless otherwise stated in the Specifications, each progress report shall include the Environmental and Social (ES) metrics set out in Appendix C.

In addition to the progress reports, the Contractor shall inform the Project Manager immediately of any allegation, incident or accident in the Site, which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Employer's Personnel or Contractor's Personnel. This includes, but is not limited to, any incident or accident causing fatality or serious injury; significant adverse effects or damage to private property; or any allegation of SEA and/or SH. In case of SEA and/or SH, while maintaining confidentiality as appropriate, the type of allegation (sexual exploitation, sexual abuse or sexual harassment), gender and age of the person who experienced the alleged incident should be included in the information.

The Contractor, upon becoming aware of the allegation, incident or accident, shall also immediately inform the Project Manager of any such incident or accident on the Subcontractors' or suppliers' premises relating to the Facilities which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Employer's Personnel, or Contractor's, its Subcontractors' and suppliers' personnel. The notification shall provide sufficient detail regarding such incidents or accidents. The Contractor shall provide full details of such incidents or accidents to the Project Manager within the timeframe agreed with the Project Manager.

The Contractor shall require its Subcontractors and suppliers to immediately notify the Contractor of any incidents or accidents referred to in this Subclause.

#### 18.4. Progress of Performance

If at any time the Contractor's actual progress falls behind the program referred to in GCC Sub-Clause 18.2, or it becomes apparent that it will so fall behind, the Contractor shall, at the request of the Employer or the Project Manager, prepare and submit to the Project Manager a revised program, taking into account the prevailing circumstances, and shall notify the Project Manager of the steps being taken to expedite progress so as to attain Completion of the Facilities within the Time for Completion under GCC Sub-Clause 8.2, any extension thereof entitled under GCC Sub-Clause 40.1, or any extended period as may otherwise be agreed upon between the Employer and the Contractor.

#### 18.5. Procedures

The Contract shall be executed in accordance with the Contract Documents including the procedures given in the Forms and Procedures of the Employer's Requirements. The Contractor may execute the Contract in accordance with its own standard project execution plans and procedures to the extent that they do not conflict with the provisions contained in the Contract.

### 19. Subcontracting

19.1. The Appendix to the Contract Agreement titled List of Major Items of Plant and Installation Services and List of Approved Subcontractors, specifies major items of supply or services and a list of approved Subcontractors against each item, including manufacturers. Insofar as no Subcontractors are listed against any such item, the Contractor shall prepare a list of Subcontractors for such item for inclusion in such list. The Contractor may from time to time propose any addition to or deletion from any such list. The Contractor shall submit any such list or any modification thereto to the Employer for its approval in sufficient time so as not to impede the progress of work on the Facilities. Such approval by the Employer for any of the Subcontractors shall not relieve the Contractor from any of its obligations, duties or responsibilities under the Contract.

19.2. The Contractor shall select and employ its Subcontractors for such major items from those listed in the lists referred to in GCC Sub-Clause 19.1.

- 19.3. For items or parts of the Facilities not specified in the Appendix to the Contract Agreement titled List of Major Items of Plant and Installation Services and List of Approved Subcontractors, the Contractor may employ such Subcontractors as it may select, at its discretion.
- 19.4. Each sub-contract shall include provisions which would entitle the Employer to require the sub-contract to be assigned to the Employer under GCC 19.5 (if and when applicable), or in event of termination by the Employer under GCC 42.2.
- 19.5. If a Subcontractor's obligations extend beyond the expiry date of the relevant Defects Liability Period and the Project Manager, prior to that date, instructs the Contractor to assign the benefits of such obligations to the Employer, then the Contractor shall do so.
- 19.6. The Contractor shall require that its Subcontractors execute the Facilities in accordance with the Contract, including complying with the relevant ES requirements and the obligations set out in GCC Sub-Clause 22.4.

## **20. Design and Engineering**

- 20.1. Specifications and Drawings
  - 20.1.1 The Contractor shall execute the basic and detailed design and the engineering work in compliance with the provisions of the Contract, or where not so specified, in accordance with good engineering practice.

The Contractor shall be responsible for any discrepancies, errors or omissions in the specifications, drawings and other technical documents that it has prepared, whether such specifications, drawings and other documents have been approved by the Project Manager or not, provided that such discrepancies, errors or omissions are not because of inaccurate information furnished in writing to the Contractor by or on behalf of the Employer.
  - 20.1.2 The Contractor shall be entitled to disclaim responsibility for any design, data, drawing, specification or other document, or any modification thereof provided or designated by or on behalf of the Employer, by giving a notice of such disclaimer to the Project Manager.

### 20.2. Codes and Standards



Wherever references are made in the Contract to codes and standards in accordance with which the Contract shall be executed, the edition or the revised version of such codes and standards current at the date twenty-eight (28) days prior to date of Bid submission shall apply unless otherwise specified. During Contract execution, any changes in such codes and standards shall be applied subject to approval by the Employer and shall be treated in accordance with GCC Clause 39.

### 20.3. Approval/Review of Technical Documents by Project Manager

20.3.1 The Contractor shall prepare or cause its Subcontractors to prepare, and furnish to the Project Manager the documents listed in the Appendix to the Contract Agreement titled List of Documents for Approval or Review, for its approval or review as specified and in accordance with the requirements of GCC Sub-Clause 18.2 (Program of Performance).

Any part of the Facilities covered by or related to the documents to be approved by the Project Manager shall be executed only after the Project Manager's approval thereof.

GCC Sub-Clauses 20.3.2 through 20.3.7 shall apply to those documents requiring the Project Manager's approval, but not to those furnished to the Project Manager for its review only.

20.3.2 Within fourteen (14) days after receipt by the Project Manager of any document requiring the Project Manager's approval in accordance with GCC Sub-Clause 20.3.1, the Project Manager shall either return one copy thereof to the Contractor with its approval endorsed thereon or shall notify the Contractor in writing of its disapproval thereof and the reasons therefor and the modifications that the Project Manager proposes.

If the Project Manager fails to take such action within the said fourteen (14) days, then the said document shall be deemed to have been approved by the Project Manager.

20.3.3 The Project Manager shall not disapprove any document, except on the grounds that the document does not comply with the Contract or that it is contrary to good engineering practice.

- 20.3.4 If the Project Manager disapproves the document, the Contractor shall modify the document and resubmit it for the Project Manager's approval in accordance with GCC Sub-Clause 20.3.2. If the Project Manager approves the document subject to modification(s), the Contractor shall make the required modification(s), whereupon the document shall be deemed to have been approved.
- 20.3.5 If any dispute or difference occurs between the Employer and the Contractor in connection with or arising out of the disapproval by the Project Manager of any document and/or any modification(s) thereto that cannot be settled between the Parties within a reasonable period, then such dispute or difference may be referred to a Dispute Board for determination in accordance with GCC Sub-Clause 46.1 hereof. If such dispute or difference is referred to a Dispute Board, the Project Manager shall give instructions as to whether and if so, how, performance of the Contract is to proceed. The Contractor shall proceed with the Contract in accordance with the Project Manager's instructions, provided that if the Dispute Board upholds the Contractor's view on the dispute and if the Employer has not given notice under GCC Sub-Clause 46.3 hereof, then the Contractor shall be reimbursed by the Employer for any additional costs incurred by reason of such instructions and shall be relieved of such responsibility or liability in connection with the dispute and the execution of the instructions as the Dispute Board shall decide, and the Time for Completion shall be extended accordingly.
- 20.3.6 The Project Manager's approval, with or without modification of the document furnished by the Contractor, shall not relieve the Contractor of any responsibility or liability imposed upon it by any provisions of the Contract except to the extent that any subsequent failure results from modifications required by the Project Manager.
- 20.3.7 The Contractor shall not depart from any approved document unless the Contractor has first submitted to the Project Manager an amended document and obtained the Project Manager's approval thereof,

pursuant to the provisions of this GCC Sub-Clause 20.3.

If the Project Manager requests any change in any already approved document and/or in any document based thereon, the provisions of GCC Clause 39 shall apply to such request.

## 21. Procurement

### 21.1. Plant

Subject to GCC Sub-Clause 14.2, the Contractor shall procure and transport all Plant in an expeditious and orderly manner to the Site.

### 21.2. Employer-Supplied Plant

If the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, provides that the Employer shall furnish any specific items to the Contractor, the following provisions shall apply:

21.2.1 The Employer shall, at its own risk and expense, transport each item to the place on or near the Site as agreed upon by the Parties and make such item available to the Contractor at the time specified in the program furnished by the Contractor, pursuant to GCC Sub-Clause 18.2, unless otherwise mutually agreed.

21.2.2 Upon receipt of such item, the Contractor shall inspect the same visually and notify the Project Manager of any detected shortage, defect or default. The Employer shall immediately remedy any shortage, defect or default, or the Contractor shall, if practicable and possible, at the request of the Employer, remedy such shortage, defect or default at the Employer's cost and expense. After inspection, such item shall fall under the care, custody and control of the Contractor. The provision of this GCC Sub-Clause 21.2.2 shall apply to any item supplied to remedy any such shortage or default or to substitute for any defective item, or shall apply to defective items that have been repaired.

21.2.3 The foregoing responsibilities of the Contractor and its obligations of care, custody and control shall not relieve the Employer of liability for any undetected shortage, defect or default, nor place the Contractor under any liability for any such shortage, defect or default whether under GCC Clause 27 or under any other provision of Contract.

### 21.3. Transportation

- 21.3.1 The Contractor shall at its own risk and expense transport all the materials and the Contractor's Equipment to the Site by the mode of transport that the Contractor judges most suitable under all the circumstances.
- 21.3.2 Unless otherwise provided in the Contract, the Contractor shall be entitled to select any safe mode of transport operated by any person to carry the materials and the Contractor's Equipment.
- 21.3.3 Upon dispatch of each shipment of materials and the Contractor's Equipment, the Contractor shall notify the Employer by telex, cable, facsimile or electronic means, of the description of the materials and of the Contractor's Equipment, the point and means of dispatch, and the estimated time and point of arrival in the country where the Site is located, if applicable, and at the Site. The Contractor shall furnish the Employer with relevant shipping documents to be agreed upon between the Parties.
- 21.3.4 The Contractor shall be responsible for obtaining, if necessary, approvals from the authorities for transportation of the materials and the Contractor's Equipment to the Site. The Employer shall use its best endeavors in a timely and expeditious manner to assist the Contractor in obtaining such approvals, if requested by the Contractor. The Contractor shall indemnify and hold harmless the Employer from and against any claim for damage to roads, bridges or any other traffic facilities that may be caused by the transport of the materials and the Contractor's Equipment to the Site.

### 21.4. Customs Clearance

The Contractor shall, at its own expense, handle all imported materials and Contractor's Equipment at the point(s) of import and shall handle any formalities for customs clearance, subject to the Employer's obligations under GCC Sub-Clause 14.2, provided that if applicable laws or regulations require any application or act to be made by or in the name of the Employer, the Employer shall take all necessary steps to comply with such laws or regulations. In the event of delays in customs clearance that are not the fault of the Contractor, the Contractor shall be entitled to

an extension in the Time for Completion, pursuant to GCC Clause 40.

## 22. Installation

### 22.1. Setting Out/Supervision

22.1.1 Bench Mark: The Contractor shall be responsible for the true and proper setting-out of the Facilities in relation to bench marks, reference marks and lines provided to it in writing by or on behalf of the Employer.

If, at any time during the progress of installation of the Facilities, any error shall appear in the position, level or alignment of the Facilities, the Contractor shall forthwith notify the Project Manager of such error and, at its own expense, immediately rectify such error to the reasonable satisfaction of the Project Manager. If such error is based on incorrect data provided in writing by or on behalf of the Employer, the expense of rectifying the same shall be borne by the Employer.

22.1.2 Contractor's Supervision: The Contractor shall give or provide all necessary superintendence during the installation of the Facilities, and the Construction Manager or its deputy shall be constantly on the Site to provide full-time superintendence of the installation. The Contractor shall provide and employ only technical personnel who are skilled and experienced in their respective callings and supervisory staff who are competent to adequately supervise the work at hand.

### 22.2. Labor:

#### 22.2.1 Engagement of Staff and Labor

Except as otherwise stated in the Employer's Requirements, the Contractor shall make arrangements for the engagement of all staff and labor, local or otherwise, and for their payment, housing, feeding and transport.

The Contractor shall provide and employ on the Site in the installation of the Facilities such skilled, semi-skilled and unskilled labor as is necessary for the proper and timely execution of the Contract. The Contractor is encouraged to use local labor that has the necessary skills.

The Contractor shall be responsible for obtaining all necessary permit(s) and/or visa(s) from the appropriate authorities for the entry of all labor and

personnel to be employed on the Site into the country where the Site is located. The Employer will, if requested by the Contractor, use his best endeavors in a timely and expeditious manner to assist the Contractor in obtaining any local, state, national or government permission required for bringing in the Contractor's Personnel.

The Contractor shall at its own expense provide the means of repatriation to all of its Contractor's Personnel employed for the execution of the Contract at the Site or other places where the Installation Services are carried out to the place where they were recruited or to their domicile. It shall also provide suitable temporary maintenance of all such persons from the cessation of their employment on the Contract to the date programmed for their departure. In the event that the Contractor defaults in providing such means of transportation and temporary maintenance, the Employer may provide the same to such personnel and recover the cost of doing so from the Contractor.

#### 22.2.2 Persons in the Service of Employer

The Contractor shall not recruit, or attempt to recruit, staff and labor from amongst the Employer's Personnel.

#### 22.2.3 Labor Laws

The Contractor shall comply with all the relevant labor laws applicable to the Contractor's Personnel, including laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights.

The Contractor shall at all times during the progress of the Contract use its best endeavors to prevent any unlawful, riotous or disorderly conduct or behavior by or amongst its employees and the labor of its Subcontractors.

The Contractor shall, in all dealings with its labor and the labor of its Subcontractors currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious or other customs and all local laws and regulations pertaining to the employment of labor.

#### 22.2.4 Rates of Wages and Conditions of Labor

The Contractor shall pay rates of wages, and observe conditions of labor, which are not lower than those established for the trade or industry where the work is carried out. If no established rates or conditions are applicable, the Contractor shall pay rates of wages and observe conditions which are not lower than the general level of wages and conditions observed locally by employers whose trade or industry is similar to that of the Contractor.

The Contractor shall inform the Contractor's Personnel about their liability to pay personal income taxes in the Country in respect of such of their salaries, wages, allowances and any benefits as are subject to tax under the Laws of the Country for the time being in force, and the Contractor shall perform such duties in regard to such deductions thereof as may be imposed on him by such laws.

#### 22.2.5 Working Hours

No work shall be carried out on the Site on locally recognized days of rest, or outside the normal working hours stated in the PCC, unless:

- (a) otherwise stated in the Contract,
- (b) the Project Manager gives consent, or
- (c) the work is unavoidable, or necessary for the protection of life or property or for the safety of the Facilities, in which case the Contractor shall immediately advise the Project Manager.

If and when the Contractor considers it necessary to carry out work at night or on public holidays so as to meet the Time for Completion and requests the Project Manager's consent thereto, the Project Manager shall not unreasonably withhold such consent.

This Sub-Clause shall not apply to any work which is customarily carried out by rotary or double-shifts.

#### 22.2.6 Facilities for Staff and Labor

Except as otherwise stated in the Specification, the Contractor shall provide and maintain all necessary accommodation and welfare facilities for the Contractor's Personnel employed for the execution of the Contract at the Site or other places where the Installation Services are carried out. The Contractor shall also provide facilities for the Employer's

Personnel as stated in the Employer's Requirements.

The Contractor shall not permit any of the Contractor's Personnel to maintain any temporary or permanent living quarters within the structures forming part of the Facilities.

#### 22.2.7 Health and Safety

The Contractor shall at all times take all reasonable precautions to maintain the health and safety of the Contractor's Personnel employed for the execution of Installation Services at the Site (or other places in the country where the Site is located).

Subject to GCC Sub-Clause 9.9, the Contractor shall submit to the Engineer for its approval a health and safety manual which has been specifically prepared for the Contract.

The health and safety manual shall be in addition to any other similar document required under applicable health and safety regulations and Laws. The health and safety manual shall set out all the health and safety requirements under the Contract,

- (a) which shall include at a minimum:
- (i) the procedures to establish and maintain a safe working environment without risk to health at all workplaces, machinery, equipment and processes under the control of the Contractor, including control measures for chemical, physical and biological substances and agents;
  - (ii) details of the training to be provided, records to be kept;
  - (iii) the procedures for prevention, preparedness and response activities to be implemented in the case of an emergency event (i.e. an unanticipated incident, arising from both natural and man-made hazards, typically in the form of fire, explosions, leaks or spills, which may occur for a variety of different reasons including failure to implement operating procedures that are designed to prevent their occurrence, extreme weather or lack of early warning);
  - (iv) the measures to be taken to avoid or minimize the potential for community exposure to water-borne, water-based, water-related, and vector-borne diseases,



- (v) the measures to be implemented to avoid or minimize the spread of communicable diseases (including transfer of Sexually Transmitted Diseases or Infections (STDs), such as HIV virus) and non-communicable diseases associated with the execution of the Contract, taking into consideration differentiated exposure to and higher sensitivity of vulnerable groups. This includes taking measures to avoid or minimize the transmission of communicable diseases that may be associated with the influx of temporary or permanent Contract-related labor;
  - (vi) the policies and procedures on the management and quality of accommodation and welfare facilities if such accommodation and welfare facilities are provided by the Contractor in accordance with GCC Sub-Clause 22.2.6; and
- (b) any other requirements stated in the Specification.

#### 22.2.8 Funeral Arrangements

In the event of the death of any of the Contractor's Personnel or accompanying members of their families, the Contractor shall be responsible for making the appropriate arrangements for their return or burial, unless otherwise specified in the PCC.

#### 22.2.9 Records of Contractor's Personnel

The Contractor shall keep accurate records of the Contractor's Personnel, including the number of each class of Contractor's personnel on the Site and the names, ages, genders, hours worked and wages paid to all workers. These records shall be summarized on a monthly basis in a form approved by the Project Manager and shall be available for inspection by the Project Manager until the Contractor has completed all work.

#### 22.2.10 Supply of Foodstuffs

The Contractor shall arrange for the provision of a sufficient supply of suitable food as may be stated in the Employer's Requirements at reasonable prices for the Contractor's personnel for the purposes of or in connection with the Contract.

#### 22.2.11 Supply of Water

The Contractor shall, having regard to local conditions, provide on the Site an adequate supply

of drinking and other water for the use of the Contractor's personnel.

22.2.12 Measures against Insect and Pest Nuisance

The Contractor shall at all times take the necessary precautions to protect the Contractor's personnel employed on the Site from insect and pest nuisance, and to reduce their danger to health. The Contractor shall comply with all the regulations of the local health authorities, including use of appropriate insecticide.

22.2.13 Alcoholic Liquor or Drugs

The Contractor shall not, otherwise than in accordance with the laws of the Country, import, sell, give barter or otherwise dispose of any alcoholic liquor or drugs, or permit or allow importation, sale, gift barter or disposal by Contractor's personnel.

22.2.14 Arms and Ammunition

The Contractor shall not give, barter, or otherwise dispose of, to any person, any arms or ammunition of any kind, or allow Contractor's Personnel to do so.

22.2.15 Workers' Organizations

In countries where the relevant labor laws recognize workers' rights to form and to join workers' organizations of their choosing and to bargain collectively without interference, the Contractor shall comply with such laws. In such circumstances, the role of legally established workers' organizations and legitimate workers' representatives will be respected, and they will be provided with information needed for meaningful negotiation in a timely manner. Where the relevant labor laws substantially restrict workers' organizations, the Contractor shall enable alternative means for the Contractor's and its Subcontractors' personnel to express their grievances and protect their rights regarding working conditions and terms of employment. The Contractor shall not seek to influence or control these alternative means. The Contractor shall not discriminate or retaliate against the Contractor's and its Subcontractors' personnel who participate, or seek to participate, in such organizations and

collective bargaining or alternative mechanisms. Workers' organizations are expected to fairly represent the workers in the workforce.

22.2.16 Non-Discrimination and Equal Opportunity

The Contractor shall not make decisions relating to the employment or treatment of Contractor's Personnel on the basis of personal characteristics unrelated to inherent job requirements. The Contractor shall base the employment of Contractor's Personnel on the principle of equal opportunity and fair treatment, and shall not discriminate with respect to any aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, and disciplinary practices.

Special measures of protection or assistance to remedy past discrimination or selection for a particular job based on the inherent requirements of the job shall not be deemed discrimination. The Contractor shall provide protection and assistance as necessary to ensure non-discrimination and equal opportunity, including for specific groups such as women, people with disabilities, migrant workers and children (of working age in accordance with GCC Sub-Clause 22.2.19).

22.2.17 Contractor's Personnel Grievance Mechanism

The Contractor shall have a grievance mechanism for the Contractor's Personnel, and where relevant the workers' organizations stated in subclause 22.2.15, to raise workplace concerns. The grievance mechanism shall be proportionate to the nature, scale, risks and impacts of the Contract. The mechanism shall address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned in a language they understand, without any retribution, and shall operate in an independent and objective manner.

The Contractor's Personnel shall be informed of the grievance mechanism at the time of engagement for the Contract, and the measures put in place to

protect them against any reprisal for its use. Measures will be put in place to make the grievance mechanism easily accessible to all Contractor's and its Subcontractors' personnel.

The grievance mechanism shall not impede access to other judicial or administrative remedies that might be available, or substitute for grievance mechanisms provided through collective agreements.

The grievance mechanism may utilize existing grievance mechanisms, providing that they are properly designed and implemented, address concerns promptly, and are readily accessible to such project workers. Existing grievance mechanisms may be supplemented as needed with Contract-specific arrangements.

#### 22.2.18 Forced Labor

The Contractor, including its Subcontractors/ suppliers/ manufacturers, shall not employ or engage forced labour. Forced labour consists of any work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty, and includes any kind of involuntary or compulsory labour, such as indentured labour, bonded labour or similar labour-contracting arrangements.

No persons shall be employed or engaged who have been subject to trafficking. Trafficking in persons is defined as the recruitment, transportation, transfer, harbouring or receipt of persons by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation.

In this regard, the Contractor shall:

(a) include in contracts with Subcontractors/ suppliers/ manufacturers of [solar panels] [solar panel components], obligations to prevent Forced Labor among the staff, employees, workers and any other person employed or engaged by the Subcontractor/ supplier/ manufacturer;

(b) include in contracts with Subcontractors/ suppliers/ manufacturers of [solar panels] [solar panel components], that the Subcontractors/

suppliers/manufacturers include an obligation to prevent Forced Labor in all contracts that they execute with their suppliers/ manufacturers of [solar panel][solar panel components];

(c) monitor Subcontractors/ suppliers/ manufacturers of [solar panels][solar panel components] on implementation of obligations to prevent Forced Labor among the staff, employees, workers and any other person employed or engaged by them;

(d) require Subcontractors to monitor their suppliers/manufacturers of [solar panels][solar panel components] on implementation of obligations to prevent Forced Labor among the staff, employees, workers and any other person employed or engaged by them;

(e) require its Subcontractors/ suppliers/ manufacturers to immediately notify the Contractor of any incidents of Forced Labor;

(f) immediately notify the Employer any incident of Forced labor on the site, or premises of Subcontractors/ suppliers/ manufacturers of [solar panels] [solar panel components]; and

(g) include in periodic progress reports submitted in accordance with the contract sufficient details on its, including its Subcontractors/ suppliers/ manufacturers, compliance with Forced Labor obligations.

#### 22.2.19 Child Labor

The Contractor, including its Subcontractors, shall not employ or engage a child under the age of 14 unless the national law specifies a higher age (the minimum age).

The Contractor, including its Subcontractors, shall not employ or engage a child between the minimum age and the age of 18 in a manner that is likely to be hazardous, or to interfere with, the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

The Contractor including its Subcontractors, shall only employ or engage children between the minimum age and the age of 18 after an appropriate risk assessment has been conducted by the

Contractor with the Engineer's consent. The Contractor shall be subject to regular monitoring by the Project Manager that includes monitoring of health, working conditions and hours of work.

Work considered hazardous for children is work that, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of children. Such work activities prohibited for children include work:

- (a) with exposure to physical, psychological or sexual abuse;
- (b) underground, underwater, working at heights or in confined spaces;
- (c) with dangerous machinery, equipment or tools, or involving handling or transport of heavy loads;
- (d) in unhealthy environments exposing children to hazardous substances, agents, or processes, or to temperatures, noise or vibration damaging to health; or
- (e) under difficult conditions such as work for long hours, during the night or in confinement on the premises of the employer.

### 22.3. Contractor's Equipment

22.3.1 All Contractor's Equipment brought by the Contractor onto the Site shall be deemed to be intended to be used exclusively for the execution of the Contract. The Contractor shall not remove the same from the Site without the Project Manager's consent that such Contractor's Equipment is no longer required for the execution of the Contract.

22.3.2 Unless otherwise specified in the Contract, upon completion of the Facilities, the Contractor shall remove from the Site all Equipment brought by the Contractor onto the Site and any surplus materials remaining thereon.

22.3.3 The Employer will, if requested, use its best endeavors to assist the Contractor in obtaining any local, state or national government permission required by the Contractor for the export of the Contractor's Equipment imported by the Contractor for use in the execution of the Contract that is no longer required for the execution of the Contract.

### 22.4. Site Regulations

The Employer and the Contractor shall establish Site regulations setting out the rules to be observed in the execution of the Contract at the Site and shall comply therewith. The Contractor shall prepare and submit to the Project Manager with a copy to the Employer, proposed Site regulations for the Project Manager's approval, which approval shall not be unreasonably withheld.

Such Site regulations shall include, but shall not be limited to, Code of Conduct for environmental and social aspects submitted as part of the Bid and agreed to by the Employer, , security arrangements in accordance with GCC Sub-Clause 22.8, safety of the Facilities, gate control, sanitation, medical care, and fire prevention.

The Contractor shall take all necessary measures to ensure that each Contractor's Personnel, employed for the execution of the Contract at the Site or other places where the Installation Services are carried out, is made aware of the Code of Conduct including specific behaviors that are prohibited, and understands the consequences of engaging in such prohibited behaviors.

These measures include providing instructions and documentation that can be understood by the Contractor's Personnel and seeking to obtain that person's signature acknowledging receipt of such instructions and/or documentation, as appropriate.

The Contractor shall also ensure that the Code of Conduct is visibly displayed in multiple locations on the Site and any other place where the Installation Services will be carried out, as well as in areas outside the Site accessible to the local community and project affected people. The posted Code of Conduct shall be provided in languages comprehensible to Contractor's Personnel, Employer's Personnel and the local community.

The Contractor's Management Strategy and Implementation Plans shall include appropriate processes for the Contractor to verify compliance with these obligations.

#### 22.5. Opportunities for Other Contractors

22.5.1 The Contractor shall, upon written request from the Employer or the Project Manager, give all reasonable opportunities for carrying out the work to any other contractors employed by the Employer on or near the Site.

- 22.5.2 If the Contractor, upon written request from the Employer or the Project Manager, makes available to other contractors any roads or ways the maintenance for which the Contractor is responsible, permits the use by such other contractors of the Contractor's Equipment, or provides any other service of whatsoever nature for such other contractors, the Employer shall fully compensate the Contractor for any loss or damage caused or occasioned by such other contractors in respect of any such use or service, and shall pay to the Contractor reasonable remuneration for the use of such equipment or the provision of such services.
- 22.5.3 The Contractor shall also so arrange to perform its work as to minimize, to the extent possible, interference with the work of other contractors. The Project Manager shall determine the resolution of any difference or conflict that may arise between the Contractor and other contractors and the workers of the Employer in regard to their work.
- 22.5.4 The Contractor shall notify the Project Manager promptly of any defects in the other contractors' work that come to its notice, and that could affect the Contractor's work. The Project Manager shall determine the corrective measures, if any, required to rectify the situation after inspection of the Facilities. Decisions made by the Project Manager shall be binding on the Contractor.
- 22.6. Emergency Work
- If, by reason of an emergency arising in connection with and during the execution of the Contract, any protective or remedial work is necessary as a matter of urgency to prevent damage to the Facilities, the Contractor shall immediately carry out such work.
- If the Contractor is unable or unwilling to do such work immediately, the Employer may do or cause such work to be done as the Employer may determine is necessary in order to prevent damage to the Facilities. In such event the Employer shall, as soon as practicable after the occurrence of any such emergency, notify the Contractor in writing of such emergency, the work done and the reasons therefor. If the work done or caused to be done by the Employer is work that the Contractor was liable to do at its own expense under the Contract, the reasonable



costs incurred by the Employer in connection therewith shall be paid by the Contractor to the Employer. Otherwise, the cost of such remedial work shall be borne by the Employer.

#### 22.7. Site Clearance

22.7.1 Site Clearance in Course of Performance: In the course of carrying out the Contract, the Contractor shall keep the Site reasonably free from all unnecessary obstruction, store or remove any surplus materials, clear away any wreckage, rubbish or temporary works from the Site, and remove any Contractor's Equipment no longer required for execution of the Contract.

22.7.2 Clearance of Site after Completion: After Completion of all parts of the Facilities, the Contractor shall clear away and remove all wreckage, rubbish and debris of any kind from the Site, and shall leave the Site and Facilities in a clean and safe condition.

#### 22.8. Security of the Site

The Contractor shall be responsible for the security of the Site including providing and maintaining at its own expense all lighting, fencing, and watching when and where necessary for the proper execution and the protection of the Facilities, or for the safety of the owners and occupiers of adjacent property and for the safety of the public.

If required in the Employer's Requirements, the Contractor shall submit for the Project Manager's No-objection a security management plan that sets the security arrangements for the Site.

In making security arrangements, the Contractor shall be guided by applicable laws and any other requirements stated in the Employer's Requirements.

The Contractor shall (i) conduct appropriate background checks on any personnel retained to provide security; (ii) train the security personnel adequately (or determine that they are properly trained) in the use of force (and where applicable, firearms), and appropriate conduct towards Contractor's and Sub-contractor's personnel, Employer's personnel and affected communities; and (iii) require the security personnel to act within the applicable Laws and any requirements set out in the Employer's Requirements.

The Contractor shall not permit any use of force by security personnel in providing security except when used for preventive and defensive purposes in proportion to the nature and extent of the threat.

#### 22.9. Protection of the Environment

The Contractor shall take all necessary measures to:

- i. protect the environment (both on and off the Site); and
- ii. limit damage and nuisance to people and property resulting from pollution, noise and other results of the Contractor's operations and/ or activities.

The Contractor shall ensure that emissions, surface discharges, effluent and any other pollutants from the Contractor's activities shall exceed neither the values indicated in the Employer's Requirements, nor those prescribed by applicable laws.

In the event of damage to the environment, property and/or nuisance to people, on or off Site as a result of the Contractor's operations, the Contractor shall agree with the Project Manager the appropriate actions and time scale to remedy, as practicable, the damaged environment to its former condition. The Contractor shall implement such remedies at its cost to the satisfaction of the Project Manager.

#### 22.10. Cultural Heritage Findings

All fossils, coins, articles of value or antiquity, structures, groups of structures, and other remains or items of geological, archaeological, paleontological, historical, architectural, religious interest found on the Site shall be placed under the care and custody of the Employer.

The Contractor shall take all reasonable precautions, including fencing-off the area or site of the finding, to avoid further disturbance and prevent Contractor's Personnel or other persons from removing or damaging any of these findings;

As soon as practicable after discovery of any such finding, the Contractor shall give a notice to the Project Manager, to give the Project Manager the opportunity to promptly inspect and/or investigate the finding before it is disturbed and to issue instructions for dealing with it.

### 23. Test and Inspection

23.1. The Contractor shall at its own expense carry out at the place of manufacture and/or on the Site all such tests and/or inspections of the Plant and any part of the Facilities as are specified in the Contract.

- 23.2. The Employer and the Project Manager or their designated representatives shall be entitled to attend the aforesaid test and/or inspection, provided that the Employer shall bear all costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.
- 23.3. Whenever the Contractor is ready to carry out any such test and/or inspection, the Contractor shall give a reasonable advance notice of such test and/or inspection and of the place and time thereof to the Project Manager. The Contractor shall obtain from any relevant third Party or manufacturer any necessary permission or consent to enable the Employer and the Project Manager or their designated representatives to attend the test and/or inspection.
- 23.4. The Contractor shall provide the Project Manager with a certified report of the results of any such test and/or inspection.  
If the Employer or Project Manager or their designated representatives fails to attend the test and/or inspection, or if it is agreed between the Parties that such persons shall not do so, then the Contractor may proceed with the test and/or inspection in the absence of such persons, and may provide the Project Manager with a certified report of the results thereof.
- 23.5. The Project Manager may require the Contractor to carry out any test and/or inspection not required by the Contract, provided that the Contractor's reasonable costs and expenses incurred in the carrying out of such test and/or inspection shall be added to the Contract Price. Further, if such test and/or inspection impede the progress of work on the Facilities and/or the Contractor's performance of its other obligations under the Contract, due allowance will be made in respect of the Time for Completion and the other obligations so affected.
- 23.6. If any Plant or any part of the Facilities fails to pass any test and/or inspection, the Contractor shall either rectify or replace such Plant or part of the Facilities and shall repeat the test and/or inspection upon giving a notice under GCC Sub-Clause 23.3.
- 23.7. If any dispute or difference of opinion shall arise between the Parties in connection with or arising out of the test and/or inspection of the Plant or part of the Facilities that cannot be settled between the Parties within a reasonable

- period of time, it may be referred to an Dispute Board for determination in accordance with GCC Sub-Clause 46.3.
- 23.8. The Contractor shall afford the Employer and the Project Manager, at the Employer's expense, access at any reasonable time to any place where the Plant are being manufactured or the Facilities are being installed, in order to inspect the progress and the manner of manufacture or installation, provided that the Project Manager shall give the Contractor a reasonable prior notice. Without prejudice to GCC Sub-Clause 9.7, as instructed by the Project Manager, the Contractor shall also afford other relevant entities (at the Employer's or their respective entities' expense, as appropriate) access to the Facilities, to inspect progress and the manner of the execution of the Facilities, carry out environmental and social audit, as appropriate, or carry out any other duty as stated in the Employer's Requirements or as instructed by the Project Manager.
- 23.9. The Contractor agrees that neither the execution of a test and/or inspection of Plant or any part of the Facilities, nor the attendance by the Employer or the Project Manager, nor the issue of any test certificate pursuant to GCC Sub-Clause 23.4, shall release the Contractor from any other responsibilities under the Contract.
- 23.10. No part of the Facilities or foundations shall be covered up on the Site without the Contractor carrying out any test and/or inspection required under the Contract. The Contractor shall give a reasonable notice to the Project Manager whenever any such parts of the Facilities or foundations are ready or about to be ready for test and/or inspection; such test and/or inspection and notice thereof shall be subject to the requirements of the Contract.
- 23.11. The Contractor shall uncover any part of the Facilities or foundations, or shall make openings in or through the same as the Project Manager may from time to time require at the Site, and shall reinstate and make good such part or parts. If any parts of the Facilities or foundations have been covered up at the Site after compliance with the requirement of GCC Sub-Clause 23.10 and are found to be executed in accordance with the Contract, the expenses of uncovering, making openings in or through, reinstating, and making good the same shall be borne by the Employer, and the Time for Completion shall be reasonably adjusted to the extent that the Contractor has thereby been

**24. Completion of the Facilities**

- delayed or impeded in the performance of any of its obligations under the Contract.
- 24.1. As soon as the Facilities or any part thereof has, in the opinion of the Contractor, been completed operationally and structurally and put in a tight and clean condition as specified in the Employer's Requirements, excluding minor items not materially affecting the operation or safety of the Facilities, the Contractor shall so notify the Employer in writing.
- 24.2. Within seven (7) days after receipt of the notice from the Contractor under GCC Sub-Clause 24.1, the Employer shall supply the operating and maintenance personnel specified in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer for Precommissioning of the Facilities or any part thereof.  
Pursuant to the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, the Employer shall also provide, within the said seven (7) day period, the raw materials, utilities, lubricants, chemicals, catalysts, facilities, services and other matters required for Precommissioning of the Facilities or any part thereof.
- 24.3. As soon as reasonably practicable after the operating and maintenance personnel have been supplied by the Employer and the raw materials, utilities, lubricants, chemicals, catalysts, facilities, services and other matters have been provided by the Employer in accordance with GCC Sub-Clause 24.2, the Contractor shall commence Precommissioning of the Facilities or the relevant part thereof in preparation for Commissioning, subject to GCC Sub-Clause 25.5.
- 24.4. As soon as all works in respect of Precommissioning are completed and, in the opinion of the Contractor, the Facilities or any part thereof is ready for Commissioning, the Contractor shall so notify the Project Manager in writing.
- 24.5. The Project Manager shall, within fourteen (14) days after receipt of the Contractor's notice under GCC Sub-Clause 24.4, either issue a Completion Certificate in the form specified in the Employer's Requirements (Forms and Procedures), stating that the Facilities or that part thereof have reached Completion as of the date of the Contractor's notice under GCC Sub-Clause 24.4, or notify the Contractor in writing of any defects and/or deficiencies.  
If the Project Manager notifies the Contractor of any defects and/or deficiencies, the Contractor shall then

correct such defects and/or deficiencies, and shall repeat the procedure described in GCC Sub-Clause 24.4.

If the Project Manager is satisfied that the Facilities or that part thereof have reached Completion, the Project Manager shall, within seven (7) days after receipt of the Contractor's repeated notice, issue a Completion Certificate stating that the Facilities or that part thereof have reached Completion as of the date of the Contractor's repeated notice.

If the Project Manager is not so satisfied, then it shall notify the Contractor in writing of any defects and/or deficiencies within seven (7) days after receipt of the Contractor's repeated notice, and the above procedure shall be repeated.

24.6. If the Project Manager fails to issue the Completion Certificate and fails to inform the Contractor of any defects and/or deficiencies within fourteen (14) days after receipt of the Contractor's notice under GCC Sub-Clause 24.4 or within seven (7) days after receipt of the Contractor's repeated notice under GCC Sub-Clause 24.5, or if the Employer makes use of the Facilities or part thereof, then the Facilities or that part thereof shall be deemed to have reached Completion as of the date of the Contractor's notice or repeated notice, or as of the Employer's use of the Facilities, as the case may be.

24.7. As soon as possible after Completion, the Contractor shall complete all outstanding minor items so that the Facilities are fully in accordance with the requirements of the Contract, failing which the Employer will undertake such completion and deduct the costs thereof from any monies owing to the Contractor.

24.8. Upon Completion, the Employer shall be responsible for the care and custody of the Facilities or the relevant part thereof, together with the risk of loss or damage thereto, and shall thereafter take over the Facilities or the relevant part thereof.

**25. Commissioning  
and Operational  
Acceptance**

25.1. Commissioning

25.1.1 Commissioning of the Facilities or any part thereof shall be commenced by the Contractor immediately after issue of the Completion Certificate by the Project Manager, pursuant to GCC Sub-Clause 24.5, or immediately after the date of the deemed Completion, under GCC Sub-Clause 24.6.

- 25.1.2 The Employer shall supply the operating and maintenance personnel and all raw materials, utilities, lubricants, chemicals, catalysts, facilities, services and other matters required for Commissioning.
- 25.1.3 In accordance with the requirements of the Contract, the Contractor's and Project Manager's advisory personnel shall attend the Commissioning, including the Guarantee Test, and shall advise and assist the Employer.
- 25.2. Guarantee Test
- 25.2.1 Subject to GCC Sub-Clause 25.5, the Guarantee Test and repeats thereof shall be conducted by the Contractor during Commissioning of the Facilities or the relevant part thereof to ascertain whether the Facilities or the relevant part can attain the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees. The Employer shall promptly provide the Contractor with such information as the Contractor may reasonably require in relation to the conduct and results of the Guarantee Test and any repeats thereof.
- 25.2.2 If for reasons not attributable to the Contractor, the Guarantee Test of the Facilities or the relevant part thereof cannot be successfully completed within the period from the date of Completion **specified in the PCC** or any other period agreed upon by the Employer and the Contractor, the Contractor shall be deemed to have fulfilled its obligations with respect to the Functional Guarantees, and GCC Sub-Clauses 28.2 and 28.3 shall not apply.
- 25.3. Operational Acceptance
- 25.3.1 Subject to GCC Sub-Clause 25.4 below, Operational Acceptance shall occur in respect of the Facilities or any part thereof when
- (a) the Guarantee Test has been successfully completed and the Functional Guarantees are met; or
  - (b) the Guarantee Test has not been successfully completed or has not been carried out for reasons not attributable to the Contractor within the period from the date of Completion specified in the PCC pursuant to GCC Sub-

- Clause 25.2.2 above or any other period agreed upon by the Employer and the Contractor; or
- (c) the Contractor has paid the liquidated damages specified in GCC Sub-Clause 28.3 hereof; and
  - (d) any minor items mentioned in GCC Sub-Clause 24.7 hereof relevant to the Facilities or that part thereof have been completed.
- 25.3.2 At any time after any of the events set out in GCC Sub-Clause 25.3.1 have occurred, the Contractor may give a notice to the Project Manager requesting the issue of an Operational Acceptance Certificate in the form provided in the Employer's Requirements (Forms and Procedures) in respect of the Facilities or the part thereof specified in such notice as of the date of such notice.
- 25.3.3 The Project Manager shall, after consultation with the Employer, and within seven (7) days after receipt of the Contractor's notice, issue an Operational Acceptance Certificate.
- 25.3.4 If within seven (7) days after receipt of the Contractor's notice, the Project Manager fails to issue the Operational Acceptance Certificate or fails to inform the Contractor in writing of the justifiable reasons why the Project Manager has not issued the Operational Acceptance Certificate, the Facilities or the relevant part thereof shall be deemed to have been accepted as of the date of the Contractor's said notice.
- 25.4. Partial Acceptance
- 25.4.1 If the Contract specifies that Completion and Commissioning shall be carried out in respect of parts of the Facilities, the provisions relating to Completion and Commissioning including the Guarantee Test shall apply to each such part of the Facilities individually, and the Operational Acceptance Certificate shall be issued accordingly for each such part of the Facilities.
- 25.4.2 If a part of the Facilities comprises facilities such as buildings, for which no Commissioning or Guarantee Test is required, then the Project Manager shall issue the Operational Acceptance Certificate for such facility when it attains Completion, provided



that the Contractor shall thereafter complete any outstanding minor items that are listed in the Operational Acceptance Certificate.

25.5. Delayed Precommissioning and/or Guarantee Test

25.5.1 In the event that the Contractor is unable to proceed with the Precommissioning of the Facilities pursuant to Sub-Clause 24.3, or with the Guarantee Test pursuant to Sub-Clause 25.2, for reasons attributable to the Employer either on account of non availability of other facilities under the responsibilities of other contractor(s), or for reasons beyond the Contractor's control, the provisions leading to "deemed" completion of activities such as Completion, pursuant to GCC Sub-Clause 24.6, and Operational Acceptance, pursuant to GCC Sub-Clause 25.3.4, and Contractor's obligations regarding Defect Liability Period, pursuant to GCC Sub-Clause 27.2, Functional Guarantee, pursuant to GCC Clause 28, and Care of Facilities, pursuant to GCC Clause 32, and GCC Clause 41.1, Suspension, shall not apply. In this case, the following provisions shall apply.

25.5.2 When the Contractor is notified by the Project Manager that he will be unable to proceed with the activities and obligations pursuant to above Sub-Clause 25.5.1, the Contractor shall be entitled to the following:

- (a) the Time of Completion shall be extended for the period of suspension without imposition of liquidated damages pursuant to GCC Sub-Clause 26.2;
- (b) payments due to the Contractor in accordance with the provision specified in the Appendix to the Contract Agreement titled Terms and Procedures of Payment, which would not have been payable in normal circumstances due to non-completion of the subject activities, shall be released to the Contractor against submission of a security in the form of a bank guarantee of equivalent amount acceptable to the Employer, and which shall become null and void when the Contractor will have complied with its obligations regarding those

payments, subject to the provision of Sub-Clause 25.5.3 below;

- (c) the expenses towards the above security and extension of other securities under the contract, of which validity needs to be extended, shall be reimbursed to the Contractor by the Employer;
- (d) the additional charges towards the care of the Facilities pursuant to GCC Sub-Clause 32.1 shall be reimbursed to the Contractor by the Employer for the period between the notification mentioned above and the notification mentioned in Sub-Clause 25.5.4 below. The provision of GCC Sub-Clause 33.2 shall apply to the Facilities during the same period.

25.5.3 In the event that the period of suspension under above Sub-Clause 25.5.1 actually exceeds one hundred eighty (180) days, the Employer and Contractor shall mutually agree to any additional compensation payable to the Contractor.

25.5.4 When the Contractor is notified by the Project Manager that the Plant is ready for Precommissioning, the Contractor shall proceed without delay in performing Precommissioning in accordance with Clause 24.

## F. Guarantees and Liabilities

### 26. Completion Time Guarantee

26.1. The Contractor guarantees that it shall attain Completion of the Facilities (or a part for which a separate time for completion is specified) within the Time for Completion specified in the PCC pursuant to GCC Sub-Clause 8.2, or within such extended time to which the Contractor shall be entitled under GCC Clause 40 hereof.

26.2. If the Contractor fails to attain Completion of the Facilities or any part thereof within the Time for Completion or any extension thereof under GCC Clause 40, the Contractor shall pay to the Employer liquidated damages in the amount **specified in the PCC** as a percentage rate of the Contract Price or the relevant part thereof. The aggregate amount of such liquidated damages shall in no event exceed the amount **specified as “Maximum” in the PCC** as a percentage rate of the Contract Price. Once the “Maximum” is reached, the Employer may consider termination of the Contract, pursuant to GCC Sub-Clause 42.2.2.

Such payment shall completely satisfy the Contractor's obligation to attain Completion of the Facilities or the relevant part thereof within the Time for Completion or any extension thereof under GCC Clause 40. The Contractor shall have no further liability whatsoever to the Employer in respect thereof.

However, the payment of liquidated damages shall not in any way relieve the Contractor from any of its obligations to complete the Facilities or from any other obligations and liabilities of the Contractor under the Contract.

Save for liquidated damages payable under this GCC Sub-Clause 26.2, the failure by the Contractor to attain any milestone or other act, matter or thing by any date specified in the Appendix to the Contract Agreement titled Time Schedule, and/or other program of work prepared pursuant to GCC Sub-Clause 18.2 shall not render the Contractor liable for any loss or damage thereby suffered by the Employer.

26.3. If the Contractor attains Completion of the Facilities or any part thereof before the Time for Completion or any extension thereof under GCC Clause 40, the Employer shall pay to the Contractor a bonus in the amount **specified in the PCC**. The aggregate amount of such bonus shall in no event exceed the amount **specified as "Maximum" in the PCC**.

## 27. Defect Liability

27.1. The Contractor warrants that the Facilities or any part thereof shall be free from defects in the design, engineering, materials and workmanship of the Plant supplied and of the work executed.

27.2. The Defect Liability Period shall be five hundred and forty (540) days from the date of Completion of the Facilities (or any part thereof) or one year from the date of Operational Acceptance of the Facilities (or any part thereof), whichever first occurs, unless specified otherwise in the PCC pursuant to GCC Sub-Clause 27.10.

If during the Defect Liability Period any defect should be found in the design, engineering, materials and workmanship of the Plant supplied or of the work executed by the Contractor, the Contractor shall promptly, in consultation and agreement with the Employer regarding appropriate remedying of the defects, and at its cost, repair, replace or otherwise make good as the Contractor shall determine at its discretion, such defect as well as any damage to the Facilities caused by such defect. The Contractor shall not be responsible for the repair, replacement or making good of

any defect or of any damage to the Facilities arising out of or resulting from any of the following causes:

- (a) improper operation or maintenance of the Facilities by the Employer;
- (b) operation of the Facilities outside specifications provided in the Contract; or
- (c) normal wear and tear.

27.3. The Contractor's obligations under this GCC Clause 27 shall not apply to:

- (a) any materials that are supplied by the Employer under GCC Sub-Clause 21.2, are normally consumed in operation, or have a normal life shorter than the Defect Liability Period stated herein;
- (b) any designs, specifications or other data designed, supplied or specified by or on behalf of the Employer or any matters for which the Contractor has disclaimed responsibility herein; or
- (c) any other materials supplied or any other work executed by or on behalf of the Employer, except for the work executed by the Employer under GCC Sub-Clause 27.7.

27.4. The Employer shall give the Contractor a notice stating the nature of any such defect together with all available evidence thereof, promptly following the discovery thereof. The Employer shall afford all reasonable opportunity for the Contractor to inspect any such defect.

27.5. The Employer shall afford the Contractor all necessary access to the Facilities and the Site to enable the Contractor to perform its obligations under this GCC Clause 27.

The Contractor may, with the consent of the Employer, remove from the Site any Plant or any part of the Facilities that are defective if the nature of the defect, and/or any damage to the Facilities caused by the defect, is such that repairs cannot be expeditiously carried out at the Site.

27.6. If the repair, replacement or making good is of such a character that it may affect the efficiency of the Facilities or any part thereof, the Employer may give to the Contractor a notice requiring that tests of the defective part of the Facilities shall be made by the Contractor immediately upon completion of such remedial work, whereupon the Contractor shall carry out such tests.

If such part fails the tests, the Contractor shall carry out further repair, replacement or making good, as the case may

be, until that part of the Facilities passes such tests. The tests shall be agreed upon by the Employer and the Contractor.

- 27.7. If the Contractor fails to commence the work necessary to remedy such defect or any damage to the Facilities caused by such defect within a reasonable time (which shall in no event be considered to be less than fifteen (15) days), the Employer may, following notice to the Contractor, proceed to do such work, and the reasonable costs incurred by the Employer in connection therewith shall be paid to the Employer by the Contractor or may be deducted by the Employer from any monies due the Contractor or claimed under the Performance Security.
- 27.8. If the Facilities or any part thereof cannot be used by reason of such defect and/or making good of such defect, the Defect Liability Period of the Facilities or such part, as the case may be, shall be extended by a period equal to the period during which the Facilities or such part cannot be used by the Employer because of any of the aforesaid reasons.
- 27.9. Except as provided in GCC Clauses 27 and 33, the Contractor shall be under no liability whatsoever and howsoever arising, and whether under the Contract or at law, in respect of defects in the Facilities or any part thereof, the Plant, design or engineering or work executed that appear after Completion of the Facilities or any part thereof, except where such defects are the result of the gross negligence, fraud, or criminal or willful action of the Contractor.
- 27.10. In addition, any such component of the Facilities, and during the period of time as may be **specified in the PCC**, shall be subject to an extended defect liability period. Such obligation of the Contractor shall be in addition to the defect liability period specified under GCC Sub-Clause 27.2.

## 28. Functional Guarantees

- 28.1. The Contractor guarantees that during the Guarantee Test, the Facilities and all parts thereof shall attain the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees, subject to and upon the conditions therein specified.
- 28.2. If, for reasons attributable to the Contractor, the minimum level of the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees, are not met either in whole or in part, the Contractor shall at its cost and expense make such changes, modifications and/or additions to the Plant or any part thereof as may be necessary to meet at least the minimum level of such Guarantees. The Contractor shall notify the Employer upon completion of the

necessary changes, modifications and/or additions, and shall request the Employer to repeat the Guarantee Test until the minimum level of the Guarantees has been met. If the Contractor eventually fails to meet the minimum level of Functional Guarantees, the Employer may consider termination of the Contract, pursuant to GCC Sub-Clause 42.2.2.

28.3. If, for reasons attributable to the Contractor, the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees, are not attained either in whole or in part, but the minimum level of the Functional Guarantees specified in the said Appendix to the Contract Agreement is met, the Contractor shall, at the Contractor's option, either

(a) make such changes, modifications and/or additions to the Facilities or any part thereof that are necessary to attain the Functional Guarantees at its cost and expense, and shall request the Employer to repeat the Guarantee Test or

(b) pay liquidated damages to the Employer in respect of the failure to meet the Functional Guarantees in accordance with the provisions in the Appendix to the Contract Agreement titled Functional Guarantees.

28.4. The payment of liquidated damages under GCC Sub-Clause 28.3, up to the limitation of liability specified in the Appendix to the Contract Agreement titled Functional Guarantees, shall completely satisfy the Contractor's guarantees under GCC Sub-Clause 28.3, and the Contractor shall have no further liability whatsoever to the Employer in respect thereof. Upon the payment of such liquidated damages by the Contractor, the Project Manager shall issue the Operational Acceptance Certificate for the Facilities or any part thereof in respect of which the liquidated damages have been so paid.

## 29. Patent Indemnity

29.1. The Contractor shall, subject to the Employer's compliance with GCC Sub-Clause 29.2, indemnify and hold harmless the Employer and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Employer may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Contract by reason of: (a) the installation of the Facilities

by the Contractor or the use of the Facilities in the country where the Site is located; and (b) the sale of the products produced by the Facilities in any country.

Such indemnity shall not cover any use of the Facilities or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract, any infringement resulting from the use of the Facilities or any part thereof, or any products produced thereby in association or combination with any other equipment, Plant or materials not supplied by the Contractor, pursuant to the Contract Agreement.

- 29.2. If any proceedings are brought or any claim is made against the Employer arising out of the matters referred to in GCC Sub-Clause 29.1, the Employer shall promptly give the Contractor a notice thereof, and the Contractor may at its own expense and in the Employer's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Contractor fails to notify the Employer within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Employer shall be free to conduct the same on its own behalf. Unless the Contractor has so failed to notify the Employer within the twenty-eight (28) day period, the Employer shall make no admission that may be prejudicial to the defense of any such proceedings or claim.

The Employer shall, at the Contractor's request, afford all available assistance to the Contractor in conducting such proceedings or claim, and shall be reimbursed by the Contractor for all reasonable expenses incurred in so doing.

- 29.3. The Employer shall indemnify and hold harmless the Contractor and its employees, officers and Subcontractors from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Contractor may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Contract arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided or designed by or on behalf of the Employer.

### **30. Limitation of Liability**

- 30.1. Except in cases of criminal negligence or willful misconduct,

- (a) neither Party shall be liable to the other Party, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, which may be suffered by the other Party in connection with the Contract, other than specifically provided as any obligation of the Party in the Contract, and
- (b) the aggregate liability of the Contractor to the Employer, whether under the Contract, in tort or otherwise, shall not exceed the amount resulting from the application of the multiplier specified in the PCC, to the Contract Price or, if a multiplier is not so specified, the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment, or to any obligation of the Contractor to indemnify the Employer with respect to patent infringement.

### **G. Risk Distribution**

#### **31. Transfer of Ownership**

- 31.1. Ownership of the Plant (including spare parts) to be imported into the country where the Site is located shall be transferred to the Employer upon loading on to the mode of transport to be used to convey the Plant from the country of origin to that country.
- 31.2. Ownership of the Plant (including spare parts) procured in the country where the Site is located shall be transferred to the Employer when the Plant are brought on to the Site.
- 31.3. Ownership of the Contractor's Equipment used by the Contractor and its Subcontractors in connection with the Contract shall remain with the Contractor or its Subcontractors.
- 31.4. Ownership of any Plant in excess of the requirements for the Facilities shall revert to the Contractor upon Completion of the Facilities or at such earlier time when the Employer and the Contractor agree that the Plant in question are no longer required for the Facilities.
- 31.5. Notwithstanding the transfer of ownership of the Plant, the responsibility for care and custody thereof together with the risk of loss or damage thereto shall remain with the Contractor pursuant to GCC Clause 32 (Care of Facilities) hereof until Completion of the Facilities or the part thereof in which such Plant are incorporated.

#### **32. Care of Facilities**

- 32.1. The Contractor shall be responsible for the care and custody of the Facilities or any part thereof until the date of Completion of the Facilities pursuant to GCC Clause 24 or,



where the Contract provides for Completion of the Facilities in parts, until the date of Completion of the relevant part, and shall make good at its own cost any loss or damage that may occur to the Facilities or the relevant part thereof from any cause whatsoever during such period. The Contractor shall also be responsible for any loss or damage to the Facilities caused by the Contractor or its Subcontractors in the course of any work carried out, pursuant to GCC Clause 27. Notwithstanding the foregoing, the Contractor shall not be liable for any loss or damage to the Facilities or that part thereof caused by reason of any of the matters specified or referred to in paragraphs (a), (b) and (c) of GCC Sub-Clauses 32.2 and 38.1.

32.2. If any loss or damage occurs to the Facilities or any part thereof or to the Contractor's temporary facilities by reason of

- (a) insofar as they relate to the country where the Site is located, nuclear reaction, nuclear radiation, radioactive contamination, pressure wave caused by aircraft or other aerial objects, or any other occurrences that an experienced contractor could not reasonably foresee, or if reasonably foreseeable could not reasonably make provision for or insure against, insofar as such risks are not normally insurable on the insurance market and are mentioned in the general exclusions of the policy of insurance, including War Risks and Political Risks, taken out under GCC Clause 34 hereof; or
- (b) any use or occupation by the Employer or any third Party other than a Subcontractor, authorized by the Employer of any part of the Facilities; or
- (c) any use of or reliance upon any design, data or specification provided or designated by or on behalf of the Employer, or any such matter for which the Contractor has disclaimed responsibility herein,

the Employer shall pay to the Contractor all sums payable in respect of the Facilities executed, notwithstanding that the same be lost, destroyed or damaged, and will pay to the Contractor the replacement value of all temporary facilities and all parts thereof lost, destroyed or damaged. If the Employer requests the Contractor in writing to make good any loss or damage to the Facilities thereby occasioned, the Contractor shall make good the same at the cost of the Employer in accordance with GCC Clause 39. If the Employer does not request the Contractor in writing to make good any

loss or damage to the Facilities thereby occasioned, the Employer shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the Facilities thereby lost, destroyed or damaged, or, where the loss or damage affects a substantial part of the Facilities, the Employer shall terminate the Contract pursuant to GCC Sub-Clause 42.1 hereof.

- 32.3. The Contractor shall be liable for any loss of or damage to any Contractor's Equipment, or any other property of the Contractor used or intended to be used for purposes of the Facilities, except (i) as mentioned in GCC Sub-Clause 32.2 with respect to the Contractor's temporary facilities, and (ii) where such loss or damage arises by reason of any of the matters specified in GCC Sub-Clauses 32.2 (b) and (c) and 38.1.
- 32.4. With respect to any loss or damage caused to the Facilities or any part thereof or to the Contractor's Equipment by reason of any of the matters specified in GCC Sub-Clause 38.1, the provisions of GCC Sub-Clause 38.3 shall apply.

**33. Loss of or  
Damage to  
Property;  
Accident or  
Injury to  
Workers;  
Indemnifica-  
tion**

- 33.1. Subject to GCC Sub-Clause 33.3, the Contractor shall indemnify and hold harmless the Employer and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, in respect of the death or injury of any person or loss of or damage to any property other than the Facilities whether accepted or not, arising in connection with the supply and installation of the Facilities and by reason of the negligence of the Contractor or its Subcontractors, or their employees, officers or agents, except any injury, death or property damage caused by the negligence of the Employer, its contractors, employees, officers or agents.
- 33.2. If any proceedings are brought or any claim is made against the Employer that might subject the Contractor to liability under GCC Sub-Clause 33.1, the Employer shall promptly give the Contractor a notice thereof and the Contractor may at its own expense and in the Employer's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Contractor fails to notify the Employer within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Employer shall be free to conduct the same on its own behalf. Unless the Contractor has so failed to notify the Employer within the twenty-eight (28) day period, the Employer shall make no admission that may be prejudicial to the defense of any such proceedings or claim.

The Employer shall, at the Contractor's request, afford all available assistance to the Contractor in conducting such proceedings or claim, and shall be reimbursed by the Contractor for all reasonable expenses incurred in so doing.

33.3. The Employer shall indemnify and hold harmless the Contractor and its employees, officers and Subcontractors from any liability for loss of or damage to property of the Employer, other than the Facilities not yet taken over, that is caused by fire, explosion or any other perils, in excess of the amount recoverable from insurances procured under GCC Clause 34, provided that such fire, explosion or other perils were not caused by any act or failure of the Contractor.

33.4. The Party entitled to the benefit of an indemnity under this GCC Clause 33 shall take all reasonable measures to mitigate any loss or damage which has occurred. If the Party fails to take such measures, the other Party's liabilities shall be correspondingly reduced.

#### 34. Insurance

34.1. To the extent specified in the Appendix to the Contract Agreement titled Insurance Requirements, the Contractor shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurances set forth below in the sums and with the deductibles and other conditions specified in the said Appendix. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, who should not unreasonably withhold such approval.

(a) Cargo Insurance During Transport

Covering loss or damage occurring while in transit from the Contractor's or Subcontractor's works or stores until arrival at the Site, to the Plant (including spare parts therefor) and to the Contractor's Equipment.

(b) Installation All Risks Insurance

Covering physical loss or damage to the Facilities at the Site, occurring prior to Completion of the Facilities, with an extended maintenance coverage for the Contractor's liability in respect of any loss or damage occurring

during the Defect Liability Period while the Contractor is on the Site for the purpose of performing its obligations during the Defect Liability Period.

(c) Third Party Liability Insurance

Covering bodily injury or death suffered by third Parties including the Employer's personnel, and loss of or damage to property occurring in connection with the supply and installation of the Facilities.

(d) Automobile Liability Insurance

Covering use of all vehicles used by the Contractor or its Subcontractors, whether or not owned by them, in connection with the execution of the Contract.

(e) Workers' Compensation

In accordance with the statutory requirements applicable in any country where the Contract or any part thereof is executed.

(f) Employer's Liability

In accordance with the statutory requirements applicable in any country where the Contract or any part thereof is executed.

(g) Other Insurances

Such other insurances as may be specifically agreed upon by the Parties hereto as listed in the Appendix to the Contract Agreement titled Insurance Requirements.

34.2. The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1, except for the Third Party Liability, Workers' Compensation and Employer's Liability Insurances, and the Contractor's Subcontractors shall be named as co-insureds under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1 except for the Cargo Insurance During Transport, Workers' Compensation and Employer's Liability Insurances. All insurer's rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies.

34.3. The Contractor shall, in accordance with the provisions of the Appendix to the Contract Agreement titled Insurance Requirements, deliver to the Employer certificates of insurance or copies of the insurance policies as evidence that the required policies are in full force and effect. The certificates shall provide that no less than twenty-one (21) days' notice shall be given to the Employer by insurers prior to cancellation or material modification of a policy.

- 34.4. The Contractor shall ensure that, where applicable, its Subcontractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless such Subcontractors are covered by the policies taken out by the Contractor.
- 34.5. The Employer shall at its expense take out and maintain in effect during the performance of the Contract those insurances specified in the Appendix to the Contract Agreement titled Insurance Requirements, in the sums and with the deductibles and other conditions specified in the said Appendix. The Contractor and the Contractor's Subcontractors shall be named as co-insureds under all such policies. All insurers' rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies. The Employer shall deliver to the Contractor satisfactory evidence that the required insurances are in full force and effect. The policies shall provide that not less than twenty-one (21) days' notice shall be given to the Contractor by all insurers prior to any cancellation or material modification of the policies. If so requested by the Contractor, the Employer shall provide copies of the policies taken out by the Employer under this GCC Sub-Clause 34.5.
- 34.6. If the Contractor fails to take out and/or maintain in effect the insurances referred to in GCC Sub-Clause 34.1, the Employer may take out and maintain in effect any such insurances and may from time to time deduct from any amount due the Contractor under the Contract any premium that the Employer shall have paid to the insurer, or may otherwise recover such amount as a debt due from the Contractor. If the Employer fails to take out and/or maintain in effect the insurances referred to in GCC 34.5, the Contractor may take out and maintain in effect any such insurances and may from time to time deduct from any amount due the Employer under the Contract any premium that the Contractor shall have paid to the insurer, or may otherwise recover such amount as a debt due from the Employer. If the Contractor fails to or is unable to take out and maintain in effect any such insurances, the Contractor shall nevertheless have no liability or responsibility towards the Employer, and the Contractor shall have full recourse against the Employer for any and all liabilities of the Employer herein.

34.7. Unless otherwise provided in the Contract, the Contractor shall prepare and conduct all and any claims made under the policies effected by it pursuant to this GCC Clause 34, and all monies payable by any insurers shall be paid to the Contractor. The Employer shall give to the Contractor all such reasonable assistance as may be required by the Contractor. With respect to insurance claims in which the Employer's interest is involved, the Contractor shall not give any release or make any compromise with the insurer without the prior written consent of the Employer. With respect to insurance claims in which the Contractor's interest is involved, the Employer shall not give any release or make any compromise with the insurer without the prior written consent of the Contractor.

**35. Unforeseen  
Conditions**

35.1. If, during the execution of the Contract, the Contractor shall encounter on the Site any physical conditions other than climatic conditions, or artificial obstructions that could not have been reasonably foreseen prior to the date of the Contract Agreement by an experienced contractor on the basis of reasonable examination of the data relating to the Facilities including any data as to boring tests, provided by the Employer, and on the basis of information that it could have obtained from a visual inspection of the Site if access thereto was available, or other data readily available to it relating to the Facilities, and if the Contractor determines that it will in consequence of such conditions or obstructions incur additional cost and expense or require additional time to perform its obligations under the Contract that would not have been required if such physical conditions or artificial obstructions had not been encountered, the Contractor shall promptly, and before performing additional work or using additional Plant or Contractor's Equipment, notify the Project Manager in writing of

- (a) the physical conditions or artificial obstructions on the Site that could not have been reasonably foreseen;
- (b) the additional work and/or Plant and/or Contractor's Equipment required, including the steps which the Contractor will or proposes to take to overcome such conditions or obstructions;
- (c) the extent of the anticipated delay; and
- (d) the additional cost and expense that the Contractor is likely to incur.

On receiving any notice from the Contractor under this GCC Sub-Clause 35.1, the Project Manager shall promptly consult with the Employer and Contractor and decide upon the

actions to be taken to overcome the physical conditions or artificial obstructions encountered. Following such consultations, the Project Manager shall instruct the Contractor, with a copy to the Employer, of the actions to be taken.

35.2. Any reasonable additional cost and expense incurred by the Contractor in following the instructions from the Project Manager to overcome such physical conditions or artificial obstructions referred to in GCC Sub-Clause 35.1 shall be paid by the Employer to the Contractor as an addition to the Contract Price.

If the Contractor is delayed or impeded in the performance of the Contract because of any such physical conditions or artificial obstructions referred to in GCC Sub-Clause 35.1, the Time for Completion shall be extended in accordance with GCC Clause 40.

**36. Change in  
Laws and  
Regulations**

36.1. If, after the date twenty-eight (28) days prior to the date of Bid submission, in the country where the Site is located, any law, regulation, ordinance, order or by-law having the force of law is enacted, promulgated, abrogated or changed which shall be deemed to include any change in interpretation or application by the competent authorities, that subsequently affects the costs and expenses of the Contractor and/or the Time for Completion, the Contract Price shall be correspondingly increased or decreased, and/or the Time for Completion shall be reasonably adjusted to the extent that the Contractor has thereby been affected in the performance of any of its obligations under the Contract. Notwithstanding the foregoing, such additional or reduced costs shall not be separately paid or credited if the same has already been accounted for in the price adjustment provisions where applicable, in accordance with the PCC pursuant to GCC Sub-Clause 11.2.

**37. Force Majeure**

37.1. “Force Majeure” shall mean any event beyond the reasonable control of the Employer or of the Contractor, as the case may be, and which is unavoidable notwithstanding the reasonable care of the Party affected, and shall include, without limitation, the following:

- (a) war, hostilities or warlike operations whether a state of war be declared or not, invasion, act of foreign enemy and civil war
- (b) rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion and terrorist acts

- (c) confiscation, nationalization, mobilization, commandeering or requisition by or under the order of any government or de jure or de facto authority or ruler or any other act or failure to act of any local state or national government authority
  - (d) strike, sabotage, lockout, embargo, import restriction, port congestion, lack of usual means of public transportation and communication, industrial dispute, shipwreck, shortage or restriction of power supply, epidemics, quarantine and plague
  - (e) earthquake, landslide, volcanic activity, fire, flood or inundation, tidal wave, typhoon or cyclone, hurricane, storm, lightning, or other inclement weather condition, nuclear and pressure waves or other natural or physical disaster
  - (f) shortage of labor, materials or utilities where caused by circumstances that are themselves Force Majeure.
- 37.2. If either Party is prevented, hindered or delayed from or in performing any of its obligations under the Contract by an event of Force Majeure, then it shall notify the other in writing of the occurrence of such event and the circumstances thereof within fourteen (14) days after the occurrence of such event.
- 37.3. The Party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such Party's performance is prevented, hindered or delayed. The Time for Completion shall be extended in accordance with GCC Clause 40.
- 37.4. The Party or Parties affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect thereof upon its or their performance of the Contract and to fulfill its or their obligations under the Contract, but without prejudice to either Party's right to terminate the Contract under GCC Sub-Clauses 37.6 and 38.5.
- 37.5. No delay or nonperformance by either Party hereto caused by the occurrence of any event of Force Majeure shall
- (a) constitute a default or breach of the Contract, or
  - (b) give rise to any claim for damages or additional cost or expense occasioned thereby, subject to GCC Sub-Clauses 32.2, 38.3 and 38.4
- if and to the extent that such delay or nonperformance is caused by the occurrence of an event of Force Majeure.



- 37.6. If the performance of the Contract is substantially prevented, hindered or delayed for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of one or more events of Force Majeure during the currency of the Contract, the Parties will attempt to develop a mutually satisfactory solution, failing which either Party may terminate the Contract by giving a notice to the other, but without prejudice to either Party's right to terminate the Contract under GCC Sub-Clause 38.5.
- 37.7. In the event of termination pursuant to GCC Sub-Clause 37.6, the rights and obligations of the Employer and the Contractor shall be as specified in GCC Sub-Clauses 42.1.2 and 42.1.3.
- 37.8. Notwithstanding GCC Sub-Clause 37.5, Force Majeure shall not apply to any obligation of the Employer to make payments to the Contractor herein.

### 38. War Risks

- 38.1. "War Risks" shall mean any event specified in paragraphs (a) and (b) of GCC Sub-Clause 37.1 and any explosion or impact of any mine, bomb, shell, grenade or other projectile, missile, munitions or explosive of war, occurring or existing in or near the country (or countries) where the Site is located.
- 38.2. Notwithstanding anything contained in the Contract, the Contractor shall have no liability whatsoever for or with respect to
- (a) destruction of or damage to Facilities, Plant, or any part thereof;
  - (b) destruction of or damage to property of the Employer or any third Party; or
  - (c) injury or loss of life
- if such destruction, damage, injury or loss of life is caused by any War Risks, and the Employer shall indemnify and hold the Contractor harmless from and against any and all claims, liabilities, actions, lawsuits, damages, costs, charges or expenses arising in consequence of or in connection with the same.
- 38.3. If the Facilities or any Plant or Contractor's Equipment or any other property of the Contractor used or intended to be used for the purposes of the Facilities shall sustain destruction or damage by reason of any War Risks, the Employer shall pay the Contractor for
- (a) any part of the Facilities or the Plant so destroyed or damaged to the extent not already paid for by the Employer
- and so far as may be required by the Employer, and as may be necessary for completion of the Facilities

- (b) replacing or making good any Contractor's Equipment or other property of the Contractor so destroyed or damaged
- (c) replacing or making good any such destruction or damage to the Facilities or the Plant or any part thereof

If the Employer does not require the Contractor to replace or make good any such destruction or damage to the Facilities, the Employer shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the Facilities thereby destroyed or damaged or, where the loss, destruction or damage affects a substantial part of the Facilities, shall terminate the Contract, pursuant to GCC Sub-Clause 42.1.

If the Employer requires the Contractor to replace or make good on any such destruction or damage to the Facilities, the Time for Completion shall be extended in accordance with GCC 40.

- 38.4. Notwithstanding anything contained in the Contract, the Employer shall pay the Contractor for any increased costs or incidentals to the execution of the Contract that are in any way attributable to, consequent on, resulting from, or in any way connected with any War Risks, provided that the Contractor shall as soon as practicable notify the Employer in writing of any such increased cost.
- 38.5. If during the performance of the Contract any War Risks shall occur that financially or otherwise materially affect the execution of the Contract by the Contractor, the Contractor shall use its reasonable efforts to execute the Contract with due and proper consideration given to the safety of its and its Subcontractors' personnel engaged in the work on the Facilities, provided, however, that if the execution of the work on the Facilities becomes impossible or is substantially prevented for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of any War Risks, the Parties will attempt to develop a mutually satisfactory solution, failing which either Party may terminate the Contract by giving a notice to the other.
- 38.6. In the event of termination pursuant to GCC Sub-Clauses 38.3 or 38.5, the rights and obligations of the Employer and the Contractor shall be specified in GCC Sub-Clauses 42.1.2 and 42.1.3.

## **H. Change in Contract Elements**

### 39. Change in the Facilities

#### 39.1. Introducing a Change

39.1.1 Subject to GCC Sub-Clauses 39.2.5 and 39.2.7, the Employer shall have the right to propose, and subsequently require, that the Project Manager order the Contractor from time to time during the performance of the Contract to make any change, modification, addition or deletion to, in or from the Facilities hereinafter called “Change”, provided that such Change falls within the general scope of the Facilities and does not constitute unrelated work and that it is technically practicable, taking into account both the state of advancement of the Facilities and the technical compatibility of the Change envisaged with the nature of the Facilities as specified in the Contract.

39.1.2 Value Engineering: The Contractor may prepare, at its own cost, a value engineering proposal at any time during the performance of the contract. The value engineering proposal shall, at a minimum, include the following;

- (a) the proposed change(s), and a description of the difference to the existing contract requirements;
- (b) a full cost/benefit analysis of the proposed change(s) including a description and estimate of costs (including life cycle costs) the Employer may incur in implementing the value engineering proposal; and
- (c) a description of any effect(s) of the change on performance/functionality.

The Employer may accept the value engineering proposal if the proposal demonstrates benefits that:

- (a) accelerates the delivery period; or
- (b) reduces the Contract Price or the life cycle costs to the Employer; or
- (c) improves the quality, efficiency, safety or sustainability of the Facilities; or
- (d) yields any other benefits to the Employer, without compromising the necessary functions of the Facilities.

If the value engineering proposal is approved by the Employer and results in:

- (a) a reduction of the Contract Price; the amount to be paid to the Contractor shall be the percentage specified in the PCC of the reduction in the Contract Price; or

- (b) an increase in the Contract Price; but results in a reduction in life cycle costs due to any benefit described in (a) to (d) above, the amount to be paid to the Contractor shall be the full increase in the Contract Price.
- 39.1.3 Notwithstanding GCC Sub-Clauses 39.1.1 and 39.1.2, no change made necessary because of any default of the Contractor in the performance of its obligations under the Contract shall be deemed to be a Change, and such change shall not result in any adjustment of the Contract Price or the Time for Completion.
- 39.1.4 The procedure on how to proceed with and execute Changes is specified in GCC Sub-Clauses 39.2 and 39.3, and further details and forms are provided in the Employer's Requirements (Forms and Procedures).
- 39.2. Changes Originating from Employer
- 39.2.1 If the Employer proposes a Change pursuant to GCC Sub-Clause 39.1.1, it shall send to the Contractor a "Request for Change Proposal," requiring the Contractor to prepare and furnish to the Project Manager as soon as reasonably practicable a "Change Proposal," which shall include the following:
- (a) brief description of the Change
  - (b) effect on the Time for Completion
  - (c) estimated cost of the Change
  - (d) effect on Functional Guarantees (if any)
  - (e) effect on the Facilities
  - (f) effect on any other provisions of the Contract.
- 39.2.2 Prior to preparing and submitting the "Change Proposal," the Contractor shall submit to the Project Manager an "Estimate for Change Proposal," which shall be an estimate of the cost of preparing and submitting the Change Proposal.
- Upon receipt of the Contractor's Estimate for Change Proposal, the Employer shall do one of the following:
- (a) accept the Contractor's estimate with instructions to the Contractor to proceed with the preparation of the Change Proposal
  - (b) advise the Contractor of any part of its Estimate for Change Proposal that is unacceptable and request the Contractor to review its estimate
  - (c) advise the Contractor that the Employer does not intend to proceed with the Change.

39.2.3 Upon receipt of the Employer's instruction to proceed under GCC Sub-Clause 39.2.2 (a), the Contractor shall, with proper expedition, proceed with the preparation of the Change Proposal, in accordance with GCC Sub-Clause 39.2.1.

39.2.4 The pricing of any Change shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If such rates and prices are inequitable, the Parties thereto shall agree on specific rates for the valuation of the Change.

39.2.5 If before or during the preparation of the Change Proposal it becomes apparent that the aggregate effect of compliance therewith and with all other Change Orders that have already become binding upon the Contractor under this GCC Clause 39 would be to increase or decrease the Contract Price as originally set forth in Article 2 (Contract Price) of the Contract Agreement by more than fifteen percent (15%), the Contractor may give a written notice of objection thereto prior to furnishing the Change Proposal as aforesaid. If the Employer accepts the Contractor's objection, the Employer shall withdraw the proposed Change and shall notify the Contractor in writing thereof.

The Contractor's failure to so object shall neither affect its right to object to any subsequent requested Changes or Change Orders herein, nor affect its right to take into account, when making such subsequent objection, the percentage increase or decrease in the Contract Price that any Change not objected to by the Contractor represents.

39.2.6 Upon receipt of the Change Proposal, the Employer and the Contractor shall mutually agree upon all matters therein contained. Within fourteen (14) days after such agreement, the Employer shall, if it intends to proceed with the Change, issue the Contractor with a Change Order.

If the Employer is unable to reach a decision within fourteen (14) days, it shall notify the Contractor with details of when the Contractor can expect a decision. If the Employer decides not to proceed with the Change for whatever reason, it shall, within the said period of fourteen (14) days, notify the Contractor accordingly. Under such circumstances, the

Contractor shall be entitled to reimbursement of all costs reasonably incurred by it in the preparation of the Change Proposal, provided that these do not exceed the amount given by the Contractor in its Estimate for Change Proposal submitted in accordance with GCC Sub-Clause 39.2.2.

39.2.7 If the Employer and the Contractor cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Completion, or any other matters identified in the Change Proposal, the Employer may nevertheless instruct the Contractor to proceed with the Change by issue of a “Pending Agreement Change Order.”

Upon receipt of a Pending Agreement Change Order, the Contractor shall immediately proceed with effecting the Changes covered by such Order. The Parties shall thereafter attempt to reach agreement on the outstanding issues under the Change Proposal. If the Parties cannot reach agreement within sixty (60) days from the date of issue of the Pending Agreement Change Order, then the matter may be referred to the Dispute Board in accordance with the provisions of GCC Sub-Clause 46.1.

### 39.3. Changes Originating from Contractor

39.3.1 If the Contractor proposes a Change pursuant to GCC Sub-Clause 39.1.2, the Contractor shall submit to the Project Manager a written “Application for Change Proposal,” giving reasons for the proposed Change and including the information specified in GCC Sub-Clause 39.1.2.

Upon receipt of the Application for Change Proposal, the Parties shall follow the procedures outlined in GCC Sub-Clauses 39.2.6 and 39.2.7. However, the Contractor shall not be entitled to recover the costs of preparing the Application for Change Proposal.

## 40. Extension of Time for Completion

40.1. The Time(s) for Completion specified in the PCC pursuant to GCC Sub-Clause 8.2 shall be extended if the Contractor is delayed or impeded in the performance of any of its obligations under the Contract by reason of any of the following:

- (a) any Change in the Facilities as provided in GCC Clause 39
- (b) any occurrence of Force Majeure as provided in GCC Clause 37, unforeseen conditions as provided in GCC Clause 35, or other occurrence of any of the matters

- specified or referred to in paragraphs (a), (b) and (c) of GCC Sub-Clause 32.2
- (c) any suspension order given by the Employer under GCC Clause 41 hereof or reduction in the rate of progress pursuant to GCC Sub-Clause 41.2 or
  - (d) any changes in laws and regulations as provided in GCC Clause 36 or
  - (e) any default or breach of the Contract by the Employer, Appendix to the Contract Agreement titled ,or any activity, act or omission of the Employer, or the Project Manager, or any other contractors employed by the Employer, or
  - (f) any delay on the part of a Subcontractor, provided such delay is due to a cause for which the Contractor himself would have been entitled to an extension of time under this sub-clause, or
  - (g) delays attributable to the Employer or caused by customs, or
  - (h) any other matter specifically mentioned in the Contract by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Contractor.
- 40.2. Except where otherwise specifically provided in the Contract, the Contractor shall submit to the Project Manager a notice of a claim for an extension of the Time for Completion, together with particulars of the event or circumstance justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. As soon as reasonably practicable after receipt of such notice and supporting particulars of the claim, the Employer and the Contractor shall agree upon the period of such extension. In the event that the Contractor does not accept the Employer's estimate of a fair and reasonable time extension, the Contractor shall be entitled to refer the matter to a Dispute Board, pursuant to GCC Sub-Clause 46.1.
- 40.3. The Contractor shall at all times use its reasonable efforts to minimize any delay in the performance of its obligations under the Contract.
- 40.4. In all cases where the Contractor has given a notice of a claim for an extension of time under GCC 40.2, the Contractor shall consult with the Project Manager in order to determine the steps (if any) which can be taken to overcome or minimize the actual or anticipated delay. The Contractor shall there after comply with all reasonable instructions which the Project

Manager shall give in order to minimize such delay. If compliance with such instructions shall cause the Contractor to incur extra costs and the Contractor is entitled to an extension of time under GCC 40.1, the amount of such extra costs shall be added to the Contract Price.

#### 41. Suspension

41.1. The Employer may request the Project Manager, by notice to the Contractor, to order the Contractor to suspend performance of any or all of its obligations under the Contract. Such notice shall specify the obligation of which performance is to be suspended, the effective date of the suspension and the reasons therefor. The Contractor shall thereupon suspend performance of such obligation, except those obligations necessary for the care or preservation of the Facilities, until ordered in writing to resume such performance by the Project Manager.

If, by virtue of a suspension order given by the Project Manager, other than by reason of the Contractor's default or breach of the Contract, the Contractor's performance of any of its obligations is suspended for an aggregate period of more than ninety (90) days, then at any time thereafter and provided that at that time such performance is still suspended, the Contractor may give a notice to the Project Manager requiring that the Employer shall, within twenty-eight (28) days of receipt of the notice, order the resumption of such performance or request and subsequently order a change in accordance with GCC Clause 39, excluding the performance of the suspended obligations from the Contract. If the Employer fails to do so within such period, the Contractor may, by a further notice to the Project Manager, elect to treat the suspension, where it affects a part only of the Facilities, as a deletion of such part in accordance with GCC Clause 39 or, where it affects the whole of the Facilities, as termination of the Contract under GCC Sub-Clause 42.1.

41.2. If

- (a) the Employer has failed to pay the Contractor any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause pursuant to the Appendix to the Contract Agreement titled Terms and Procedures of Payment, or commits a substantial breach of the Contract, the Contractor may give a notice to the Employer that requires payment of such sum, with interest thereon as stipulated in GCC Sub-Clause 12.3, requires approval of such invoice or supporting



documents, or specifies the breach and requires the Employer to remedy the same, as the case may be. If the Employer fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, or fails to remedy the breach or take steps to remedy the breach within fourteen (14) days after receipt of the Contractor's notice or

- (b) the Contractor is unable to carry out any of its obligations under the Contract for any reason attributable to the Employer, including but not limited to the Employer's failure to provide possession of or access to the Site or other areas in accordance with GCC Sub-Clause 10.2, or failure to obtain any governmental permit necessary for the execution and/or completion of the Facilities, then the Contractor may by fourteen (14) days' notice to the Employer suspend performance of all or any of its obligations under the Contract, or reduce the rate of progress.

41.3. If the Contractor's performance of its obligations is suspended or the rate of progress is reduced pursuant to this GCC Clause 41, then the Time for Completion shall be extended in accordance with GCC Sub-Clause 40.1, and any and all additional costs or expenses incurred by the Contractor as a result of such suspension or reduction shall be paid by the Employer to the Contractor in addition to the Contract Price, except in the case of suspension order or reduction in the rate of progress by reason of the Contractor's default or breach of the Contract.

41.4. During the period of suspension, the Contractor shall not remove from the Site any Plant, any part of the Facilities or any Contractor's Equipment, without the prior written consent of the Employer.

## 42. Termination

### 42.1. Termination for Employer's Convenience

42.1.1 The Employer may at any time terminate the Contract for any reason by giving the Contractor a notice of termination that refers to this GCC Sub-Clause 42.1.

42.1.2 Upon receipt of the notice of termination under GCC Sub-Clause 42.1.1, the Contractor shall either immediately or upon the date specified in the notice of termination

- (a) cease all further work, except for such work as the Employer may specify in the notice of termination for the sole purpose of protecting

- that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition
- (b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) (ii) below
  - (c) remove all Contractor's Equipment from the Site, repatriate the Contractor's and its Subcontractors' personnel from the Site, remove from the Site any wreckage, rubbish and debris of any kind, and leave the whole of the Site in a clean and safe condition, and
  - (d) subject to the payment specified in GCC Sub-Clause 42.1.3,
    - (i) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
    - (ii) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant as of the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors; and
    - (iii) deliver to the Employer all non-proprietary drawings, specifications and other documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Facilities.

42.1.3 In the event of termination of the Contract under GCC Sub-Clause 42.1.1, the Employer shall pay to the Contractor the following amounts:

- (a) the Contract Price, properly attributable to the parts of the Facilities executed by the Contractor as of the date of termination
- (b) the costs reasonably incurred by the Contractor in the removal of the Contractor's Equipment from the Site and in the repatriation of the Contractor's and its Subcontractors' personnel
- (c) any amounts to be paid by the Contractor to its Subcontractors in connection with the termination of any subcontracts, including any cancellation charges

- (d) costs incurred by the Contractor in protecting the Facilities and leaving the Site in a clean and safe condition pursuant to paragraph (a) of GCC Sub-Clause 42.1.2
- (e) the cost of satisfying all other obligations, commitments and claims that the Contractor may in good faith have undertaken with third Parties in connection with the Contract and that are not covered by paragraphs (a) through (d) above.

#### 42.2. Termination for Contractor's Default

42.2.1 The Employer, without prejudice to any other rights or remedies it may possess, may terminate the Contract forthwith in the following circumstances by giving a notice of termination and its reasons therefor to the Contractor, referring to this GCC Sub-Clause 42.2:

- (a) If the Contractor becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, if the Contractor is a corporation, a resolution is passed or order is made for its winding up, other than a voluntary liquidation for the purposes of amalgamation or reconstruction, a receiver is appointed over any part of its undertaking or assets, or if the Contractor takes or suffers any other analogous action in consequence of debt
- (b) If the Contractor assigns or transfers the Contract or any right or interest therein in violation of the provision of GCC Clause 43.
- (c) If the Contractor, in the judgment of the Employer has engaged in Fraud and Corruption, as defined in paragraph 2.2 a. of Appendix B to the GCC, in competing for or in executing the Contract.

42.2.2 If the Contractor

- (a) Has abandoned or repudiated the Contract
- (b) Has without valid reason failed to commence work on the Facilities promptly or has suspended, other than pursuant to GCC Sub-Clause 41.2, the progress of Contract performance for more than twenty-eight (28) days after receiving a written instruction from the Employer to proceed
- (c) Persistently fails to execute the Contract in accordance with the Contract or persistently

neglects to carry out its obligations under the Contract without just cause

- (d) Refuses or is unable to provide sufficient materials, services or labor to execute and complete the Facilities in the manner specified in the program furnished under GCC Sub-Clause 18.2 at rates of progress that give reasonable assurance to the Employer that the Contractor can attain Completion of the Facilities by the Time for Completion as extended,

then the Employer may, without prejudice to any other rights it may possess under the Contract, give a notice to the Contractor stating the nature of the default and requiring the Contractor to remedy the same. If the Contractor fails to remedy or to take steps to remedy the same within fourteen (14) days of its receipt of such notice, then the Employer may terminate the Contract forthwith by giving a notice of termination to the Contractor that refers to this GCC Sub-Clause 42.2.

42.2.3 Upon receipt of the notice of termination under GCC Sub-Clauses 42.2.1 or 42.2.2, the Contractor shall, either immediately or upon such date as is specified in the notice of termination,

- (a) cease all further work, except for such work as the Employer may specify in the notice of termination for the sole purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition
- (b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) below
- (c) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
- (d) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant as of the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors
- (e) deliver to the Employer all drawings, specifications and other documents prepared by the Contractor

or its Subcontractors as of the date of termination in connection with the Facilities.

42.2.4 The Employer may enter upon the Site, expel the Contractor, and complete the Facilities itself or by employing any third Party. The Employer may, to the exclusion of any right of the Contractor over the same, take over and use with the payment of a fair rental rate to the Contractor, with all the maintenance costs to the account of the Employer and with an indemnification by the Employer for all liability including damage or injury to persons arising out of the Employer's use of such equipment, any Contractor's Equipment owned by the Contractor and on the Site in connection with the Facilities for such reasonable period as the Employer considers expedient for the supply and installation of the Facilities.

Upon completion of the Facilities or at such earlier date as the Employer thinks appropriate, the Employer shall give notice to the Contractor that such Contractor's Equipment will be returned to the Contractor at or near the Site and shall return such Contractor's Equipment to the Contractor in accordance with such notice. The Contractor shall thereafter without delay and at its cost remove or arrange removal of the same from the Site.

42.2.5 Subject to GCC Sub-Clause 42.2.6, the Contractor shall be entitled to be paid the Contract Price attributable to the Facilities executed as of the date of termination, the value of any unused or partially used Plant on the Site, and the costs, if any, incurred in protecting the Facilities and in leaving the Site in a clean and safe condition pursuant to paragraph (a) of GCC Sub-Clause 42.2.3. Any sums due the Employer from the Contractor accruing prior to the date of termination shall be deducted from the amount to be paid to the Contractor under this Contract.

42.2.6 If the Employer completes the Facilities, the cost of completing the Facilities by the Employer shall be determined.

If the sum that the Contractor is entitled to be paid, pursuant to GCC Sub-Clause 42.2.5, plus the reasonable costs incurred by the Employer in completing the Facilities, exceeds the Contract Price, the Contractor shall be liable for such excess.

If such excess is greater than the sums due the Contractor under GCC Sub-Clause 42.2.5, the Contractor shall pay the balance to the Employer, and if such excess is less than the sums due the Contractor under GCC Sub-Clause 42.2.5, the Employer shall pay the balance to the Contractor.

The Employer and the Contractor shall agree, in writing, on the computation described above and the manner in which any sums shall be paid.

#### 42.3. Termination by the Contractor

##### 42.3.1 If

- (a) the Employer has failed to pay the Contractor any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause pursuant to the Appendix to the Contract Agreement titled Terms and Procedures of Payment, or commits a substantial breach of the Contract, the Contractor may give a notice to the Employer that requires payment of such sum, with interest thereon as stipulated in GCC Sub-Clause 12.3, requires approval of such invoice or supporting documents, or specifies the breach and requires the Employer to remedy the same, as the case may be. If the Employer fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, fails to remedy the breach or take steps to remedy the breach within fourteen (14) days after receipt of the Contractor's notice, or
- (b) the Contractor is unable to carry out any of its obligations under the Contract for any reason attributable to the Employer, including but not limited to the Employer's failure to provide possession of or access to the Site or other areas or failure to obtain any governmental permit necessary for the execution and/or completion of the Facilities,

then the Contractor may give a notice to the Employer thereof, and if the Employer has failed to pay the outstanding sum, to approve the invoice or supporting documents, to give its reasons for withholding such approval, or to remedy the breach within twenty-eight

(28) days of such notice, or if the Contractor is still unable to carry out any of its obligations under the Contract for any reason attributable to the Employer within twenty-eight (28) days of the said notice, the Contractor may by a further notice to the Employer referring to this GCC Sub-Clause 42.3.1, forthwith terminate the Contract.

42.3.2 The Contractor may terminate the Contract forthwith by giving a notice to the Employer to that effect, referring to this GCC Sub-Clause 42.3.2, if the Employer becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, being a corporation, if a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Employer takes or suffers any other analogous action in consequence of debt.

42.3.3 If the Contract is terminated under GCC Sub-Clauses 42.3.1 or 42.3.2, then the Contractor shall immediately

- (a) cease all further work, except for such work as may be necessary for the purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition
- (b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) (ii)
- (c) remove all Contractor's Equipment from the Site and repatriate the Contractor's and its Subcontractors' personnel from the Site, and
- (d) subject to the payment specified in GCC Sub-Clause 42.3.4,
  - (i) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
  - (ii) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant as of the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors, and

- (iii) deliver to the Employer all drawings, specifications and other documents prepared by the Contractor or its Subcontractors as of the date of termination in connection with the Facilities.

42.3.4 If the Contract is terminated under GCC Sub-Clauses 42.3.1 or 42.3.2, the Employer shall pay to the Contractor all payments specified in GCC Sub-Clause 42.1.3, and reasonable compensation for all loss, except for loss of profit, or damage sustained by the Contractor arising out of, in connection with or in consequence of such termination.

42.3.5 Termination by the Contractor pursuant to this GCC Sub-Clause 42.3 is without prejudice to any other rights or remedies of the Contractor that may be exercised in lieu of or in addition to rights conferred by GCC Sub-Clause 42.3.

42.4. In this GCC Clause 42, the expression “Facilities executed” shall include all work executed, Installation Services provided, and all Plant acquired, or subject to a legally binding obligation to purchase, by the Contractor and used or intended to be used for the purpose of the Facilities, up to and including the date of termination.

42.5. In this GCC Clause 42, in calculating any monies due from the Employer to the Contractor, account shall be taken of any sum previously paid by the Employer to the Contractor under the Contract, including any advance payment paid pursuant to the Appendix to the Contract Agreement titled Terms and Procedures of Payment.

#### **43. Assignment**

43.1. Neither the Employer nor the Contractor shall, without the express prior written consent of the other Party, which consent shall not be unreasonably withheld, assign to any third Party the Contract or any part thereof, or any right, benefit, obligation or interest therein or thereunder, except that the Contractor shall be entitled to assign either absolutely or by way of charge any monies due and payable to it or that may become due and payable to it under the Contract.

#### **44. Export Restrictions**

44.1. Notwithstanding any obligation under the Contract to complete all export formalities, any export restrictions attributable to the Employer, to the country of the Employer or to the use of the Plant and Installation Services to be supplied which arise from trade regulations from a country supplying those Plant and Installation Services, and which



substantially impede the Contractor from meeting its obligations under the Contract, shall release the Contractor from the obligation to provide deliveries or services, always provided, however, that the Contractor can demonstrate to the satisfaction of the Employer and of the Bank that it has completed all formalities in a timely manner, including applying for permits, authorizations and licenses necessary for the export of the Plant and Installation Services under the terms of the Contract. Termination of the Contract on this basis shall be for the Employer's convenience pursuant to Sub-Clause 42.1.

## **I. Claims, Disputes and Arbitration**

### **45. Contractor's Claims**

45.1. If the Contractor considers himself to be entitled to any extension of the Time for Completion and/or any additional payment, under any Clause of these Conditions or otherwise in connection with the Contract, the Contractor shall submit a notice to the Project Manager, describing the event or circumstance giving rise to the claim. The notice shall be given as soon as practicable, and not later than 28 days after the Contractor became aware, or should have become aware, of the event or circumstance.

If the Contractor fails to give notice of a claim within such period of 28 days, the Time for Completion shall not be extended, the Contractor shall not be entitled to additional payment, and the Employer shall be discharged from all liability in connection with the claim. Otherwise, the following provisions of this Sub-Clause shall apply.

The Contractor shall also submit any other notices which are required by the Contract, and supporting particulars for the claim, all as relevant to such event or circumstance.

The Contractor shall keep such contemporary records as may be necessary to substantiate any claim, either on the Site or at another location acceptable to the Project Manager. Without admitting the Employer's liability, the Project Manager may, after receiving any notice under this Sub-Clause, monitor the record-keeping and/or instruct the Contractor to keep further contemporary records. The Contractor shall permit the Project Manager to inspect all these records, and shall (if instructed) submit copies to the Project Manager.

Within 42 days after the Contractor became aware (or should have become aware) of the event or circumstance giving rise to the claim, or within such other period as may be proposed by the Contractor and approved by the Project Manager, the Contractor shall send to the Project Manager a fully detailed

claim which includes full supporting particulars of the basis of the claim and of the extension of time and/or additional payment claimed. If the event or circumstance giving rise to the claim has a continuing effect:

- (a) this fully detailed claim shall be considered as interim;
- (b) the Contractor shall send further interim claims at monthly intervals, giving the accumulated delay and/or amount claimed, and such further particulars as the Project Manager may reasonably require; and
- (c) the Contractor shall send a final claim within 28 days after the end of the effects resulting from the event or circumstance, or within such other period as may be proposed by the Contractor and approved by the Project Manager.

Within 42 days after receiving a claim or any further particulars supporting a previous claim, or within such other period as may be proposed by the Project Manager and approved by the Contractor, the Project Manager shall respond with approval, or with disapproval and detailed comments. He may also request any necessary further particulars, but shall nevertheless give his response on the principles of the claim within such time.

Each Payment Certificate shall include such amounts for any claim as have been reasonably substantiated as due under the relevant provision of the Contract. Unless and until the particulars supplied are sufficient to substantiate the whole of the claim, the Contractor shall only be entitled to payment for such part of the claim as he has been able to substantiate.

The Project Manager shall agree with the Contractor or estimate: (i) the extension (if any) of the Time for Completion (before or after its expiry) in accordance with GCC Clause 40, and/or (ii) the additional payment (if any) to which the Contractor is entitled under the Contract.

The requirements of this Sub-Clause are in addition to those of any other Sub-Clause which may apply to a claim. If the Contractor fails to comply with this or another Sub-Clause in relation to any claim, any extension of time and/or additional payment shall take account of the extent (if any) to which the failure has prevented or prejudiced proper investigation of the claim, unless the claim is excluded under the second paragraph of this Sub-Clause.

In the event that the Contractor and the Employer cannot agree on any matter relating to a claim, either Party may refer the matter to the Dispute Board pursuant to GCC 46 hereof.

**46. Disputes and Arbitration****46.1. Appointment of the Dispute Board**

Disputes shall be referred to a DB for decision in accordance with GCC Sub-Clause 46.3. The Parties shall appoint a DB by the date stated in the PCC.

The DB shall comprise, as stated in the PCC, either one or three suitably qualified persons (“the members”), each of whom shall meet the criteria set forth in Sub-Clause 3 of Appendix A- General Conditions of Dispute Board Agreement. If the number is not so stated and the Parties do not agree otherwise, the DB shall comprise three persons, one of whom shall serve as chairman.

If the Contract is with a foreign Contractor, the DB members shall not have the same nationality as the Employer or the Contractor.

If the Parties have not jointly appointed the DB 21 days before the date stated in the PCC and the DB is to comprise three persons, each Party shall nominate one member for the approval of the other Party. The first two members shall recommend and the Parties shall agree upon the third member, who shall act as chairman.

However, if a list of potential members is included in the PCC, the members shall be selected from those on the list, other than anyone who is unable or unwilling to accept appointment to the DB.

The agreement between the Parties and either the sole member or each of the three members shall incorporate by reference the General Conditions of Dispute Board Agreement contained in the Appendix to these General Conditions, with such amendments as are agreed between them.

The DB shall be deemed to be constituted on the date the Parties and the sole member or the three members (as the case may be) of the DB have all signed a DB agreement.

The terms of the remuneration of either the sole member or each of the three members, including the remuneration of any expert whom the DB consults, shall be mutually agreed upon by the Parties when agreeing the terms of appointment of the member or such expert (as the case may be). Each Party shall be responsible for paying one-half of this remuneration.

If a member declines to act or is unable to act as a result of death, disability, resignation or termination of appointment, a replacement shall be appointed in the same manner as the replaced person was required to have been nominated or agreed upon, as described in this Sub-Clause.

The appointment of any member may be terminated by mutual agreement of both Parties, but not by the Employer or the Contractor acting alone. Unless otherwise agreed by both Parties, the appointment of the DB (including each member) shall expire when the Operational Acceptance Certificate has been issued in accordance with GCC Sub-Clause 25.3.

46.2. Failure to Agree on the Composition of the Dispute Board

If any of the following conditions apply, namely:

- (a) the Parties fail to agree upon the appointment of the sole member of the DB by the date stated in the first paragraph of GCC Sub-Clause 46.1,
  - (b) either Party fails to nominate a member (for approval by the other Party) of a DB of three persons by such date,
  - (c) the Parties fail to agree upon the appointment of the third member (to act as chairman) of the DB by such date, or
  - (d) the Parties fail to agree upon the appointment of a replacement person within 42 days after the date on which the sole member or one of the three members declines to act or is unable to act as a result of death, disability, resignation or termination of appointment,
- then the appointing entity or official **named in the PCC** shall, upon the request of either or both of the Parties and after due consultation with both Parties, appoint this member of the DB. This appointment shall be final and conclusive. Each Party shall be responsible for paying one-half of the remuneration of the appointing entity or official.

46.3. Obtaining Dispute Board's Decision

If a dispute (of any kind whatsoever) arises between the Parties in connection with the performance of the Contract, including any dispute as to any certificate, determination, instruction, opinion or valuation of the Project Manager, either Party may refer the dispute in writing to the DB for its decision, with copies to the other Party and the Project Manager. Such reference shall state that it is given under this Sub-Clause.

For a DB of three persons, the DB shall be deemed to have received such reference on the date when it is received by the chairman of the DB.

Both Parties shall promptly make available to the DB all such additional information, further access to the Site, and appropriate facilities, as the DB may require for the purposes of making a decision on such dispute. The DB shall be deemed to be not acting as arbitrator(s).

Within 84 days after receiving such reference, or within such other period as may be proposed by the DB and approved by both Parties, the DB shall give its decision, which shall be reasoned and shall state that it is given under this Sub-Clause. The decision shall be binding on both Parties, who shall promptly give effect to it unless and until it shall be revised in an amicable settlement or an arbitral award as described below. Unless the Contract has already been abandoned, repudiated or terminated, the Contractor shall continue with the performance of the Facilities in accordance with the Contract.

If either Party is dissatisfied with the DB's decision, then either Party may, within 28 days after receiving the decision, give notice to the other Party of its dissatisfaction and intention to commence arbitration. If the DB fails to give its decision within the period of 84 days (or as otherwise approved) after receiving such reference, then either Party may, within 28 days after this period has expired, give notice to the other Party of its dissatisfaction and intention to commence arbitration.

In either event, this notice of dissatisfaction shall state that it is given under this Sub-Clause, and shall set out the matter in dispute and the reason(s) for dissatisfaction. Except as stated in GCC Sub-Clauses 46.6 and 46.7, neither Party shall be entitled to commence arbitration of a dispute unless a notice of dissatisfaction has been given in accordance with this Sub-Clause.

If the DB has given its decision as to a matter in dispute to both Parties, and no notice of dissatisfaction has been given by either Party within 28 days after it received the DB's decision, then the decision shall become final and binding upon both Parties.

#### 46.4. Amicable Settlement

Where notice of dissatisfaction has been given under GCC Sub-Clause 46.3 above, both Parties shall attempt to settle the dispute amicably before the commencement of arbitration. However, unless both Parties agree otherwise, arbitration may be commenced on or after the fifty-sixth day after the day on which notice of dissatisfaction and intention to commence arbitration was given, even if no attempt at amicable settlement has been made.

#### 46.5. Arbitration

Unless **indicated otherwise in the PCC**, any dispute not settled amicably and in respect of which the DB's decision (if

any) has not become final and binding shall be finally settled by arbitration. Unless otherwise agreed by both Parties, arbitration shall be conducted as follows:

- (a) For contracts with foreign contractors:  
**Unless otherwise specified in the PCC;** the dispute shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce; by one or three arbitrators appointed in accordance with these Rules. The place of arbitration shall be the neutral location **stated in the PCC;** and the arbitration shall be conducted in the ruling language **stated in the PCC;**  
 and
- (b) For contracts with domestic contractors, arbitration with proceedings conducted in accordance with the laws of the Employer's Country.

The arbitrator(s) shall have full power to open up, review and revise any certificate, determination, instruction, opinion or valuation of the Project Manager, and any decision of the DB, relevant to the dispute. Nothing shall disqualify the Project Manager from being called as a witness and giving evidence before the arbitrator(s) on any matter whatsoever relevant to the dispute.

Neither Party shall be limited in the proceedings before the arbitrator(s) to the evidence or arguments previously put before the DB to obtain its decision, or to the reasons for dissatisfaction given in its notice of dissatisfaction. Any decision of the DB shall be admissible in evidence in the arbitration.

Arbitration may be commenced prior to or after completion of the Facilities. The obligations of the Parties, the Project Manager and the DB shall not be altered by reason of any arbitration being conducted during the progress of the execution of the Facilities.

#### 46.6. Failure to Comply with Dispute Board's Decision

In the event that a Party fails to comply with a DB decision which has become final and binding, then the other Party may, without prejudice to any other rights it may have, refer the failure itself to arbitration under GCC Sub-Clause 46.5. GCC Sub-Clauses 46.3 and 46.4 shall not apply to this reference.

#### 46.7. Expiry of Dispute Board's Appointment

If a dispute arises between the Parties in connection with the performance of the Contract, and there is no DB in place,

whether by reason of the expiry of the DB's appointment or otherwise:

- (a) GCC Sub-Clauses 46.3 and 46.4 shall not apply, and
- (b) the dispute may be referred directly to arbitration under GCC Sub-Clause 46.5

## **APPENDIX A**

### **General Conditions of Dispute Board Agreement**

#### 1. Definitions

Each “Dispute Board Agreement” is a tripartite agreement by and between:

The “Employer”;

The “Contractor”; and

The “Member” who is defined in the Dispute Board Agreement as being:

- (i) The sole member of the “DB” and, where this is the case, all references to the “Other Members” do not apply, or
- (ii) One of the three persons who are jointly called the “DB” (or “dispute board”) and, where this is the case, the other two persons are called the “Other Members”.

The Employer and the Contractor have entered (or intend to enter) into a contract, which is called the “Contract” and is defined in the Dispute Board Agreement, which incorporates this Appendix. In the Dispute Board Agreement, words and expressions which are not otherwise defined shall have the meanings assigned to them in the Contract.

#### 2. General Provisions

Unless otherwise stated in the Dispute Board Agreement, it shall take effect on the latest of the following dates:

- (a) The Commencement Date defined in the Contract,
- (b) When the Employer, the Contractor and the Member have each signed the Dispute Board Agreement, or
- (c) When the Employer, the Contractor and each of the Other Members (if any) have respectively each signed a dispute board agreement.

This employment of the Member is a personal appointment. At any time, the Member may give not less than 70 days’ notice of resignation to the Employer and to the Contractor, and the Dispute Board Agreement shall terminate upon the expiry of this period.

#### 3. Warranties



The Member warrants and agrees that he/she is and shall be impartial and independent of the Employer, the Contractor and the Project Manager. The Member shall promptly disclose, to each of them and to the Other Members (if any), any fact or circumstance which might appear inconsistent with his/her warranty and agreement of impartiality and independence.

- a) When appointing the Member, the Employer and the Contractor relied upon the Member's representations that he/she is: has at least a bachelor's degree in relevant disciplines such as law, engineering, construction management or contract management;
- b) has at least ten years of experience in contract administration/management and dispute resolution, out of which at least five years of experience as an arbitrator or adjudicator in construction-related disputes;
- c) has received formal training as an adjudicator from an internationally recognized organization;
- d) has experience and/or is knowledgeable in the type of work which the Contractor is to carry out under the Contract;
- e) has experience in the interpretation of construction and/or engineering contract documents; and
- f) Is fluent in the language for communications defined in GCC Sub-Clause 5.3 (or the language as agreed between the Parties and the DB).

#### 4. General Obligations of the Member

The Member shall:

- (a) Have no interest financial or otherwise in the Employer, the Contractor or the Project Manager, nor any financial interest in the Contract except for payment under the Dispute Board Agreement;
- (b) Not previously have been employed as a consultant or otherwise by the Employer, the Contractor or the Project Manager, except in such circumstances as were disclosed in writing to the Employer and the Contractor before they signed the Dispute Board Agreement;
- (c) have disclosed in writing to the Employer, the Contractor and the Other Members (if any), before entering into the Dispute Board Agreement and to his/her best knowledge and recollection, any professional or personal relationships with any director, officer or employee of the Employer, the Contractor or the Project Manager, and any previous involvement in the overall project of which the Contract forms part;
- (d) not, for the duration of the Dispute Board Agreement, be employed as a consultant or otherwise by the Employer, the Contractor or the Project

Manager, except as may be agreed in writing by the Employer, the Contractor and the Other Members (if any);

- (e) Comply with the annexed procedural rules and with GCC Sub-Clause 46.3;
- (f) Not give advice to the Employer, the Contractor, the Employer's Personnel or the Contractor's Personnel concerning the conduct of the Contract, other than in accordance with the annexed procedural rules;
- (g) not while a Member enter into discussions or make any agreement with the Employer, the Contractor or the Project Manager regarding employment by any of them, whether as a consultant or otherwise, after ceasing to act under the Dispute Board Agreement;
- (h) Ensure his/her availability for all site visits and hearings as are necessary;
- (i) become conversant with the Contract and with the progress of the Facilities (and of any other parts of the project of which the Contract forms part) by studying all documents received which shall be maintained in a current working file;
- (j) treat the details of the Contract and all the DB's activities and hearings as private and confidential, and not publish or disclose them without the prior written consent of the Employer, the Contractor and the Other Members (if any); and
- (k) be available to give advice and opinions, on any matter relevant to the Contract when requested by both the Employer and the Contractor, subject to the agreement of the Other Members (if any).

#### 5. General Obligations of the Employer and the Contractor

The Employer, the Contractor, the Employer's Personnel and the Contractor's Personnel shall not request advice from or consultation with the Member regarding the Contract, otherwise than in the normal course of the DB's activities under the Contract and the Dispute Board Agreement. The Employer and the Contractor shall be responsible for compliance with this provision, by the Employer's Personnel and the Contractor's Personnel respectively.

The Employer and the Contractor undertake to each other and to the Member that the Member shall not, except as otherwise agreed in writing by the Employer, the Contractor, the Member and the Other Members (if any):

- (a) Be appointed as an arbitrator in any arbitration under the Contract;
- (b) Be called as a witness to give evidence concerning any dispute before arbitrator(s) appointed for any arbitration under the Contract; or

- (c) Be liable for any claims for anything done or omitted in the discharge or purported discharge of the Member's functions, unless the act or omission is shown to have been in bad faith.

The Employer and the Contractor hereby jointly and severally indemnify and hold the Member harmless against and from claims from which he is relieved from liability under the preceding paragraph.

Whenever the Employer or the Contractor refers a dispute to the DB under GCC Sub-Clause 46.3, which will require the Member to make a site visit and attend a hearing, the Employer or the Contractor shall provide appropriate security for a sum equivalent to the reasonable expenses to be incurred by the Member. No account shall be taken of any other payments due or paid to the Member.

## 6. Payment

The Member shall be paid as follows, in the currency named in the Dispute Board Agreement:

- (a) A retainer fee per calendar month, which shall be considered as payment in full for:
  - (i) being available on 28 days' notice for all site visits and hearings;
  - (ii) Becoming and remaining conversant with all project developments and maintaining relevant files;
  - (iii) all office and overhead expenses including secretarial services, photocopying and office supplies incurred in connection with his duties; and
  - (iv) All services performed hereunder except those referred to in subparagraphs (b) and (c) of this Clause.

The retainer fee shall be paid with effect from the last day of the calendar month in which the Dispute Board Agreement becomes effective; until the last day of the calendar month in which the Taking-Over Certificate is issued for the whole of the Facilities.

With effect from the first day of the calendar month following the month in which Taking-Over Certificate is issued for the whole of the Facilities, the retainer fee shall be reduced by one third. This reduced fee shall be paid until the first day of the calendar month in which the Member resigns or the Dispute Board Agreement is otherwise terminated.

- (b) A daily fee which shall be considered as payment in full for:

- (i) each day or part of a day up to a maximum of two days' travel time in each direction for the journey between the Member's home and the site, or another location of a meeting with the Other Members (if any);
  - (ii) Each working day on site visits, hearings or preparing decisions; and
  - (iii) Each day spent reading submissions in preparation for a hearing.
- (c) all reasonable expenses including necessary travel expenses (air fare in less than first class, hotel and subsistence and other direct travel expenses) incurred in connection with the Member's duties, as well as the cost of telephone calls, courier charges, faxes and telexes: a receipt shall be required for each item in excess of five percent of the daily fee referred to in subparagraph (b) of this Clause;
- (d) any taxes properly levied in the Country on payments made to the Member (unless a national or permanent resident of the Country) under this Clause 6.

The retainer and daily fees shall be as specified in the Dispute Board Agreement. Unless it specifies otherwise, these fees shall remain fixed for the first 24 calendar months, and shall thereafter be adjusted by agreement between the Employer, the Contractor and the Member, at each anniversary of the date on which the Dispute Board Agreement became effective.

If the Parties fail to agree on the retainer fee or the daily fee the appointing entity or official named in the PCC shall determine the amount of the fees to be used.

The Member shall submit invoices for payment of the monthly retainer and air fares quarterly in advance. Invoices for other expenses and for daily fees shall be submitted following the conclusion of a site visit or hearing. All invoices shall be accompanied by a brief description of activities performed during the relevant period and shall be addressed to the Contractor.

The Contractor shall pay each of the Member's invoices in full within 56 calendar days after receiving each invoice and shall apply to the Employer (in the Statements under the Contract) for reimbursement of one-half of the amounts of these invoices. The Employer shall then pay the Contractor in accordance with the Contract.

If the Contractor fails to pay to the Member the amount to which he/she is entitled under the Dispute Board Agreement, the Employer shall pay the amount due to the Member and any other amount which may be required to maintain the operation of the DB; and without prejudice to the Employer's rights or remedies. In addition to all other rights arising from this default, the Employer shall be entitled to reimbursement of all sums paid in excess of one-half of these payments, plus all costs of recovering these sums and financing charges calculated at the rate specified in accordance with GCC Sub-Clause 12.3.

If the Member does not receive payment of the amount due within 70 days after submitting a valid invoice, the Member may (i) suspend his/her services (without notice) until the payment is received, and/or (ii) resign his/her appointment by giving notice under Clause 7.

#### 7. Termination

At any time: (i) the Employer and the Contractor may jointly terminate the Dispute Board Agreement by giving 42 days' notice to the Member; or (ii) the Member may resign as provided for in Clause 2.

If the Member fails to comply with the Dispute Board Agreement, the Employer and the Contractor may, without prejudice to their other rights, terminate it by notice to the Member. The notice shall take effect when received by the Member.

If the Employer or the Contractor fails to comply with the Dispute Board Agreement, the Member may, without prejudice to his other rights, terminate it by notice to the Employer and the Contractor. The notice shall take effect when received by them both.

Any such notice, resignation and termination shall be final and binding on the Employer, the Contractor and the Member. However, a notice by the Employer or the Contractor, but not by both, shall be of no effect.

#### 8. Default of the Member

If the Member fails to comply with any of his obligations under Clause 4 concerning his impartiality or independence in relation to the Employer or the Contractor, he/she shall not be entitled to any fees or expenses hereunder and shall, without prejudice to their other rights, reimburse each of the Employer and the Contractor for any fees and expenses received by the Member and the Other Members (if any), for proceedings or decisions (if any) of the DB which are rendered void or ineffective by the said failure to comply.

#### 9. Disputes

Any dispute or claim arising out of or in connection with this Dispute Board Agreement, or the breach, termination or invalidity thereof, shall be finally settled by institutional arbitration. If no other arbitration institute is agreed, the arbitration shall be conducted under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with these Rules of Arbitration.

## Appendix A

### DISPUTE BOARD GUIDELINES

1. Unless otherwise agreed by the Employer and the Contractor, the DB shall visit the site at intervals of not more than 140 days, including times of critical construction events, at the request of either the Employer or the Contractor. Unless otherwise agreed by the Employer, the Contractor and the DB, the period between consecutive visits shall not be less than 70 days, except as required to convene a hearing as described below.
2. The timing of and agenda for each site visit shall be as agreed jointly by the DB, the Employer and the Contractor, or in the absence of agreement, shall be decided by the DB. The purpose of site visits is to enable the DB to become and remain acquainted with the progress of the execution of the Contract and of any actual or potential problems or claims, and, as far as reasonable, to prevent potential problems or claims from becoming disputes.
3. Site visits shall be attended by the Employer, the Contractor and the Project Manager and shall be coordinated by the Employer in co-operation with the Contractor. The Employer shall ensure the provision of appropriate conference facilities and secretarial and copying services. At the conclusion of each site visit and before leaving the site, the DB shall prepare a report on its activities during the visit and shall send copies to the Employer and the Contractor.
4. The Employer and the Contractor shall furnish to the DB one copy of all documents which the DB may request, including Contract documents, progress reports, variation instructions, certificates and other documents pertinent to the performance of the Contract. All communications between the DB and the Employer or the Contractor shall be copied to the other Party. If the DB comprises three persons, the Employer and the Contractor shall send copies of these requested documents and these communications to each of these persons.
5. If any dispute is referred to the DB in accordance with GCC Sub-Clause 46.3, the DB shall proceed in accordance with GCC Sub-Clause 46.3 and these Guidelines. Subject to the time allowed to give notice of a decision and other relevant factors, the DB shall:
  - (a) Act fairly and impartially as between the Employer and the Contractor, giving each of them a reasonable opportunity of putting his case and responding to the other's case, and
  - (b) Adopt procedures suitable to the dispute, avoiding unnecessary delay or expense.
6. The DB may conduct a hearing on the dispute, in which event it will decide on the date and place for the hearing and may request that written documentation and arguments from the Employer and the Contractor be presented to it prior to or at the hearing.

7. Except as otherwise agreed in writing by the Employer and the Contractor, the DB shall have power to adopt an inquisitorial procedure, to refuse admission to hearings or audience at hearings to any persons other than representatives of the Employer, the Contractor and the Project Manager, and to proceed in the absence of any Party who the DB is satisfied received notice of the hearing; but shall have discretion to decide whether and to what extent this power may be exercised.

8. The Employer and the Contractor empower the DB, among other things, to:

- (a) Establish the procedure to be applied in deciding a dispute,
- (b) Decide upon the DB's own jurisdiction, and as to the scope of any dispute referred to it,
- (c) conduct any hearing as it thinks fit, not being bound by any rules or procedures other than those contained in the Contract and these Guidelines,
- (d) Take the initiative in ascertaining the facts and matters required for a decision,
- (e) Make use of its own specialist knowledge, if any,
- (f) Decide upon the payment of financing charges in accordance with the Contract,
- (g) Decide upon any provisional relief such as interim or conservatory measures,
- (h) Open up, review and revise any certificate, decision, determination, instruction, opinion or valuation of the Project Manager, relevant to the dispute, and
- (i) Appoint, should the DB so consider necessary and the Parties agree, a suitable expert/s (including legal and technical expert(s)) at the cost of the Parties to give advice on a specific matter/s relevant to the dispute.

9. The DB shall not express any opinions during any hearing concerning the merits of any arguments advanced by the Parties. Thereafter, the DB shall make and give its decision in accordance with GCC Sub-Clause 46.3, or as otherwise agreed by the Employer and the Contractor in writing. If the DB comprises three persons:

- (a) It shall convene in private after a hearing, in order to have discussions and prepare its decision;
- (b) It shall endeavor to reach a unanimous decision: if this proves impossible the applicable decision shall be made by a majority of the Members, who

may require the minority Member to prepare a written report for submission to the Employer and the Contractor; and

- (c) If a Member fails to attend a meeting or hearing, or to fulfil any required function, the other two Members may nevertheless proceed to make a decision, unless:
  - (i) Either the Employer or the Contractor does not agree that they do so, or
  - (ii) The absent Member is the chairman and he/she instructs the other Members to not make a decision.



## **APPENDIX B**

### **Fraud and Corruption**

*(Text in this Appendix shall not be modified)*

#### **1. Purpose**

1.1 The Bank's Anti-Corruption Guidelines and this annex apply with respect to procurement under Bank Investment Project Financing operations.

#### **2. Requirements**

2.3 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.4 To this end, the Bank:

a. Defines, for the purposes of this provision, the terms set forth below as follows:

- i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
- iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- iv. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- v. "obstructive practice" is:
  - (a) Deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
  - (b) Acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.

b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
- d. Pursuant to the Bank's Anti-Corruption Guidelines and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>1</sup> (ii) to be a nominated<sup>2</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
- e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect<sup>3</sup> all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

---

<sup>1</sup> For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>2</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

<sup>3</sup> Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

## APPENDIX C

### Metrics for Progress Reports- Environmental and Social (ES)

**[Note to Employer: the following metrics is taken from large Work's Standard Procurement Documents (SPDs). This should be suitably amended to reflect the specifics of the Contract. The Employer shall ensure that the metrics provided are appropriate for Plant and impacts/key issues identified in the environmental and social assessment].**

*Metrics for regular reporting:*

- a. *environmental incidents or non-compliances with contract requirements, including contamination, pollution or damage to ground or water supplies;*
- b. *health and safety incidents, accidents, injuries that require treatment and all fatalities;*
- c. *interactions with regulators: identify agency, dates, subjects, outcomes (report the negative if none);*
- d. *status of all permits and agreements:*
  - (i) *work permits: number required, number received, actions taken for those not received;*
  - (ii) *status of permits and consents:*
    - *list areas/facilities with permits required (quarries, asphalt & batch plants), dates of application, dates issued (actions to follow up if not issued), dates submitted to resident engineer (or equivalent), status of area (waiting for permits, working, abandoned without reclamation, decommissioning plan being implemented, etc.);*
    - *list areas with landowner agreements required (borrow and spoil areas, camp sites), dates of agreements, dates submitted to resident engineer (or equivalent);*
    - *identify major activities undertaken in each area in the reporting period and highlights of environmental and social protection (land clearing, boundary marking, topsoil salvage, traffic management, decommissioning planning, decommissioning implementation);*
    - *for quarries: status of relocation and compensation (completed, or details of activities and current status in the reporting period).*
- e. *health and safety supervision:*
  - (i) *safety officer: number days worked, number of full inspections & partial inspections, reports to construction/project management;*

- (ii) number of workers, work hours, metric of PPE use (percentage of workers with full personal protection equipment (PPE), partial, etc.), worker violations observed (by type of violation, PPE or otherwise), warnings given, repeat warnings given, follow-up actions taken (if any);
- f. *worker accommodations:*
  - (i) number of expats housed in accommodations, number of locals;
  - (ii) date of last inspection, and highlights of inspection including status of accommodations' compliance with national and local law and good practice, including sanitation, space, etc.;
  - (iii) actions taken to recommend/require improved conditions, or to improve conditions.
- g. *Health services: provider of health services, information and/or training, location of clinic, number of non-safety disease or illness treatments and diagnoses (no names to be provided);*
- h. *gender (for expats and locals separately): number of female workers, percentage of workforce, gender issues raised and dealt with (cross-reference grievances or other sections as needed);*
- i. *training:*
  - (i) number of new workers, number receiving induction training, dates of induction training;
  - (ii) number and dates of toolbox talks, number of workers receiving Occupational Health and Safety (OHS), environmental and social training;
  - (iii) number and dates of communicable diseases (including STDs) sensitization and/or training, no. workers receiving training (in the reporting period and in the past); same questions for gender sensitization, flag person training.
  - (iv) number and date of SEA prevention and SH sensitization and/or training events, including number of workers receiving training on Code of Conduct for Contractor's and Subcontractor's Personnel (in the reporting period and in the past), etc.
- j. *environmental and social supervision:*
  - (i) environmentalist: days worked, areas inspected and numbers of inspections of each (road section, work camp, accommodations, quarries, borrow areas, spoil areas, swamps, forest crossings, etc.), highlights of activities/findings (including violations of environmental and/or social best practices, actions taken), reports to environmental and/or social specialist/construction/site management;
  - (ii) sociologist: days worked, number of partial and full site inspections (by area: road section, work camp, accommodations, quarries, borrow areas, spoil areas, clinic, HIV/AIDS center, community centers, etc.), highlights of

- activities (including violations of environmental and/or social requirements observed, actions taken), reports to environmental and/or social specialist/construction/site management; and
- (iii) community liaison person(s): days worked (hours community center open), number of people met, highlights of activities (issues raised, etc.), reports to environmental and/or social specialist /construction/site management.
- k. *Grievances: list new grievances (e.g. number of allegations of SEA and SH) received in the reporting period and number of unresolved past grievances by date received, complainant's age and sex, how received, to whom referred to for action, resolution and date (if completed), data resolution reported to complainant, any required follow-up (Cross-reference other sections as needed):*
- (i) Worker grievances;
  - (ii) Community grievances
- l. *Traffic, road safety and vehicles/equipment:*
- (i) traffic and road safety incidents and accidents involving project vehicles & equipment: provide date, location, damage, cause, follow-up;
  - (ii) traffic and road safety incidents and accidents involving non-project vehicles or property (also reported under immediate metrics): provide date, location, damage, cause, follow-up;
  - (iii) overall condition of vehicles/equipment (subjective judgment by environmentalist); non-routine repairs and maintenance needed to improve safety and/or environmental performance (to control smoke, etc.).
- m. *Environmental mitigations and issues (what has been done):*
- (i) dust: number of working bowsers, number of waterings/day, number of complaints, warnings given by environmentalist, actions taken to resolve; highlights of quarry dust control (covers, sprays, operational status); % of rock/ spoil lorries with covers, actions taken for uncovered vehicles;
  - (ii) erosion control: controls implemented by location, status of water crossings, environmentalist inspections and results, actions taken to resolve issues, emergency repairs needed to control erosion/sedimentation;
  - (iii) quarries, borrow areas, spoil areas, asphalt plants, batch plants: identify major activities undertaken in the reporting period at each, and highlights of environmental and social protection: land clearing, boundary marking, topsoil salvage, traffic management, decommissioning planning, decommissioning implementation;

- (iv) blasting: number of blasts (and locations), status of implementation of blasting plan (including notices, evacuations, etc.), incidents of off-site damage or complaints (cross-reference other sections as needed);
  - (v) spill clean-ups, if any: material spilled, location, amount, actions taken, material disposal (report all spills that result in water or soil contamination);
  - (vi) waste management: types and quantities generated and managed, including amount taken offsite (and by whom) or reused/recycled/disposed on-site;
  - (vii) details of tree plantings and other mitigations required undertaken in the reporting period;
  - (viii) details of water and swamp protection mitigations required undertaken in the reporting period.
- n. *compliance:*
- (i) compliance status for conditions of all relevant consents/permits, for the Work, including quarries, etc.): statement of compliance or listing of issues and actions taken (or to be taken) to reach compliance;
  - (ii) compliance status of C-ESMP/ESIP requirements: statement of compliance or listing of issues and actions taken (or to be taken) to reach compliance
  - (iii) compliance status of SEA and SH prevention and response action plan: statement of compliance or listing of issues and actions taken (or to be taken) to reach compliance
  - (iv) compliance status of Health and Safety Management Plan re: statement of compliance or listing of issues and actions taken (or to be taken) to reach compliance
  - (v) other unresolved issues from previous reporting periods related to environmental and social: continued violations, continued failure of equipment, continued lack of vehicle covers, spills not dealt with, continued compensation or blasting issues, etc. Cross-reference other sections as needed.

## APPENDIX D

### Sexual Exploitation and Abuse (SEA) and/or Sexual Harassment (SH) Performance Declaration for Subcontractors

*[The following table shall be filled in by each subcontractor proposed by the Contractor, that was not named in the Contract]*

Subcontractor’s Name: *[insert full name]*

Date: *[insert day, month, year]*

Contract reference *[insert contract reference]*

Page *[insert page number]* of *[insert total number]* pages

| <b>SEA and/or SH Declaration</b>  |
|---|
| <p>We:</p> <p><input type="checkbox"/> (a) have not been subject to disqualification by the Bank for non-compliance with SEA/ SH obligations.</p> <p><input type="checkbox"/> (b) are subject to disqualification by the Bank for non-compliance with SEA/ SH obligations.</p> <p><input type="checkbox"/> (c) had been subject to disqualification by the Bank for non-compliance with SEA/ SH obligations. An arbitral award on the disqualification case has been made in our favor.</p> <p><b><i>[If (c) above is applicable, attach evidence of an arbitral award reversing the findings on the issues underlying the disqualification.]</i></b></p> |

Name of the Subcontractor \_\_\_\_\_

Name of the person duly authorized to sign on behalf of the Subcontractor \_\_\_\_\_

Title of the person signing on behalf of the Subcontractor \_\_\_\_\_

Signature of the person named above \_\_\_\_\_

Date signed \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Countersignature of authorized representative of the Contractor:

Signature: \_\_\_\_\_

Date signed \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

## Section IX - Particular Conditions of Contract

The following Particular Conditions of Contract shall supplement the General Conditions of Contract in Section VIII. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract.



### Particular Conditions of Contract (PCC) – Supply and Installation Phase

The following Particular Conditions (PCC) shall supplement the General Conditions (GCC).

Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

The clause number of the PCC is the corresponding clause number of the GCC.

|  |   |
|--|---|
| <b>PCC 1. Definitions</b>                                      | <p>The Employer is: <i>Rural Electrification and Renewable Energy Corporation (REREC)</i></p> <p>The Project Manager is: <i>Project Managers for REREC shall be nominated before Finalization of the Contract</i></p> <p>The Bank is: <i>World Bank</i></p> <p>Country of Origin: <i>All countries and territories as indicated in Section V of the bidding document, Eligible Countries.</i></p>   |
| <b>PCC 5. Law and Language</b>                                 | <p>PCC 5.1 The Contract shall be interpreted in accordance with the laws of: <i>Kenya</i></p> <p>PCC 5.2 The ruling language is: <i>English</i></p> <p>PCC 5.3 The language for communications is: <i>English</i></p>   |
| <b>PCC 7. Scope of Facilities [Spare Parts] (GCC Clause 7)</b> | <p>PCC 7.3 The Contractor agrees to supply spare parts for a period of years: <i>O&amp;M Period of 7 Years Operations and Maintenance (O&amp;M) Services.</i></p> <p><b>Sample Addition to PCC 7.3</b></p> <p>The Contractor shall carry sufficient inventories to ensure an ex-stock supply of consumable spares for the Plant. Other spare parts and components shall be supplied as promptly as possible, but at the most within six (6) months of placing the order and opening the letter of credit. In addition, in the event of termination of the production of spare parts, advance notification will be made to the Employer of the pending termination, with sufficient time to permit the Employer to procure the needed requirement. Following such termination, the Contractor will furnish to the extent possible and at no cost to the Employer the blueprints, drawings and specifications of the spare parts, if requested.</p> |
| <b>PCC 8. Time for Commencement and Completion</b>             | <p>PCC 8.1 The Contractor shall commence work on the Facilities within one month from the Effective Date for determining Time for Completion as specified in the Contract Agreement.</p> <p>PCC 8.2 The Time for Completion of the whole of the Facilities shall be twelve (12) months from the Effective Date as described in the Contract Agreement.</p>  |
| <b>PCC 9. Contractor's Responsibilities</b>                    | <p>PCC 9.1 Connections to be made to Consumers immediately after commissioning of SPGP and PDN.</p> <p>The Contractor shall commission SPGP and PDN and connect 100% of customers within the twenty-four months, otherwise applicable Liquidated Damages apply.</p> <p>PCC 9.8 The following sustainable procurement contractual provisions</p>   |

|                               |   |
|-------------------------------|---|
|                               | apply: Not Applicable   |
| <b>PCC 11. Contract Price</b> | <p>PCC 11.2<br/> <b>Phase 1: Supply &amp; Installation</b><br/> The prices/costs quoted by the Bidder <b>shall be fixed and not be subject to adjustment during the performance of the Contract.</b></p> <p><b>Phase 2: Operations &amp; Maintenance</b><br/> PCC 11.2 The Contract Price shall be adjusted in accordance with the provisions of the Appendix to the Contract Agreement titled Adjustment Clause.</p>   |
| <b>PCC 13. Securities</b>     | <p>PCC 13.3.1 The amount of Performance Security, as a percentage of the Contract Price for the Plant Facility shall be:</p> <p>(a) Ten (10%) of the contract value of design, supply, installation and commissioning of Solar Photovoltaic Generation Plants with Associated Power Distribution Network and will remain valid for 12 months beyond the Operational Acceptance of the Plant Facilities.</p> <p>Contract Performance Security submitted shall be released to the Contractor without any interest within Sixty (60) days after the expiry date.</p> <p>(b) Ten (10%) of the O&amp;M contract value renewable for seven (7) years (The Supply &amp; Installation and the O&amp;M periods). The contractor shall ensure that the Performance Securities are valid at all times during the lifetime of the Contract.</p> <p>Contract Performance Security submitted for the O&amp;M stage shall be released to the Contractor without any interest within Sixty (60) days after the successful completion of the complete O&amp;M period (7 Years Operations and Maintenance (O&amp;M) Services ) subject to the approval and acceptance of the O&amp;M period deliverables by the Engineer in charge/Technical Team.</p> <p>O&amp;M Period will start from the Operational acceptance of the Plant Facilities (SPGP and PDN)</p> <p>The Bidder will be responsible for the operation and maintenance of the Plant after Commissioning till the Operational acceptance of Plant Facilities, without any additional cost to the Employer.</p> |

|   |   |
|---|---|
|   | PCC 13.3.2 The Performance Security shall be in the form of an <b>Unconditional Bank Guarantee</b> , using the form provided in Section X, Contract Forms.  |
| <b>PCC 22<br/>Installation</b>                                      | PCC22.2.5 Working Hours<br>Normal working hours are: 8 AM to 5 PM<br>PCC 22.2.8 Funeral Arrangements: will be arranged by contractors   |
| <b>PCC 25.<br/>Commissioning<br/>and Operational<br/>Acceptance</b> | PCC 25.2.2 The Guarantee Test of the Facilities shall be successfully completed within one month from the date of Completion.   |
| <b>PCC 26.<br/>Completion Time<br/>Guarantee</b>                    | PCC 26.2 Applicable rate for liquidated damages: <i>0.5% per week of delay</i><br>The above rate applies to the price of the part of the Facilities, as quoted in the Price Schedule, for that part for which the Contractor fails to achieve Completion within the particular Time for Completion.<br>Maximum deduction for liquidated damages: <i>10% of final Contract Price</i><br>PCC 26.3 Applicable ( <i>amount or rate</i> ) for the bonus for early Completion: Not Applicable<br>Maximum bonus: Not Applicable<br>PCC 26.3 No bonus will be given for earlier Completion of the Facilities or part thereof. |
| <b>PCC 27. Defect<br/>Liability</b>                                 | PCC 27.1 The Contractor is fully responsible for any defect during the period of the contract that includes the O&M period (7 Years period for Operations and Maintenance (O&M) Services )  |
| <b>PCC 30.<br/>Limitation of<br/>Liability</b>                      | PCC 30.1 (b) The multiplier of the Contract Price is: 110%  |
| <b>PCC 39. Value<br/>Engineering</b>                                | PCC 39.1.2 If the value engineering proposal is approved by the Employer the amount to be paid to the Contractor shall be ___% (insert appropriate percentage. The percentage is normally up to 50%) of the reduction in the Contract Price<br><b>Not Applicable</b>  |
| <b>PCC46. Disputes<br/>and Arbitration</b>                          | PCC 46.1 The DB shall be appointed within 60 days on need basis<br>The DB shall comprise: <i>one member</i><br>PCC 46.1 List of potential DB members: <b>None</b><br>PCC 46.2 Appointment (if not agreed) to be made by:<br><i>President of FIDIC or Kenya Chartered Institute of Arbitrators</i><br>PCC 46.5 Procedure to settle disputes in respect of DB's decisions:<br><br><b>Rules of arbitration</b><br>GCC Sub-Clause 46.5(a) "shall" apply.  |

|  |   |
|--|---|
|  | <p>CCC Sub-Clause 46.5 (b): “shall” apply.</p> <p>Place of arbitration: <i>To be agreed between the Contractor and Employer</i></p> |
|--|---|

# Section X - Contract Forms

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## Notification of Intention to Award

**[This Notification of Intention to Award shall be sent to each Bidder that submitted a Bid.]**

**[Send this Notification to the Bidder's Authorized Representative named in the Bidder Information Form]**

For the attention of Bidder's Authorized Representative

Name: *[insert Authorized Representative's name]*

Address: *[insert Authorized Representative's Address]*

Telephone/Fax numbers: *[insert Authorized Representative's telephone/fax numbers]*

Email Address: *[insert Authorized Representative's email address]*

**[IMPORTANT: insert the date that this Notification is transmitted to Bidders. The Notification must be sent to all Bidders simultaneously. This means on the same date and as close to the same time as possible.]**

**DATE OF TRANSMISSION:** This Notification is sent by: *[email/fax]* on *[date]* (local time)

## Notification of Intention to Award

**Employer:** *[insert the name of the Employer]*

**Project:** *[insert name of project]*

**Contract title:** *[insert the name of the contract]*

**Country:** *[insert country where RFB is issued]*

**Loan No. /Credit No. / Grant No.:** *[insert reference number for loan/credit/grant]*

**RFB No:** *[insert RFB reference number from Procurement Plan]*

This Notification of Intention to Award (Notification) notifies you of our decision to award the above contract. The transmission of this Notification begins the Standstill Period. During the Standstill Period, you may:

- a) request a debriefing in relation to the evaluation of your Bid, and/or
- b) submit a Procurement-related Complaint in relation to the decision to award the contract.

### 1. The successful Bidder

|                        |  |
|------------------------|--|
| <b>Name:</b>           | <i>[insert name of successful Bidder]</i>            |
| <b>Address:</b>        | <i>[insert address of the successful Bidder]</i>     |
| <b>Contract price:</b> | <i>[insert contract price of the successful Bid]</i> |

**2. Other Bidders [INSTRUCTIONS: insert names of all Bidders that submitted a Bid. If the Bid's price was evaluated include the evaluated price as well as the Bid price as read out.]**

| Name of Bidder | Bid price          | Evaluated Bid Cost      |
|----------------|--------------------|-------------------------|
| [insert name]  | [insert Bid price] | [insert evaluated cost] |
| [insert name]  | [insert Bid price] | [insert evaluated cost] |
| [insert name]  | [insert Bid price] | [insert evaluated cost] |
| [insert name]  | [insert Bid price] | [insert evaluated cost] |
| [insert name]  | [insert Bid price] | [insert evaluated cost] |

### 3. Reason/s why your Bid was unsuccessful

**[INSTRUCTIONS: State the reason/s why this Bidder's Bid was unsuccessful. Do NOT include: (a) a point by point comparison with another Bidder's Bid or (b) information that is marked confidential by the Bidder in its Bid.]**

### 4. How to request a debriefing

**DEADLINE: The deadline to request a debriefing expires at midnight on [insert date] (local time).**

You may request a debriefing in relation to the results of the evaluation of your Bid. If you decide to request a debriefing, your written request must be made within three (3) Business Days of receipt of this Notification of Intention to Award. Provide the contract name, reference number, name of the Bidder, contact details; and address the request for debriefing as follows:

**Attention:** [insert full name of person, if applicable]

**Title/position:** [insert title/position]

**Agency:** [insert name of Employer]

**Email address:** [insert email address]

**Fax number:** [insert fax number] **delete if not used**

If your request for a debriefing is received within the 3 Business Days deadline, we will provide the debriefing within five (5) Business Days of receipt of your request. If we are unable to provide the debriefing within this period, the Standstill Period shall be extended by five (5) Business Days after the date that the debriefing is provided. If this happens, we will notify you and confirm the date that the extended Standstill Period will end.

The debriefing may be in writing, by phone, video conference call or in person. We shall promptly advise you in writing how the debriefing will take place and confirm the date and time.

If the deadline to request a debriefing has expired, you may still request a debriefing. In this case, we will provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of the Contract Award Notice.

### 5. How to make a complaint

**Period: Procurement-related Complaint challenging the decision to award shall be submitted by midnight, [insert date] (local time).**

Provide the contract name, reference number, name of the Bidder, contact details; and address the Procurement-related Complaint as follows:

**Attention:** [insert full name of person, if applicable]

**Title/position:** [insert title/position]

**Agency:** [insert name of Employer]

**Email address:** [insert email address]

**Fax number:** [insert fax number] **delete if not used**

At this point in the procurement process, you may submit a Procurement-related Complaint challenging the decision to award the contract. You do not need to have requested, or received, a debriefing before making this complaint. Your complaint must be submitted within the Standstill Period and received by us before the Standstill Period ends.

Further information:

For more information see the [Procurement Regulations for IPF Borrowers](#)

[\(Procurement](#)

[Regulations\)](https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=4005)[<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=4005>] (Annex III). You should read these provisions before

preparing and submitting your complaint. In addition, the World Bank's Guidance

["How to make a Procurement-related Complaint"](#)

[[http://www.worldbank.org/en/projects-operations/products-and-](http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework#framework)

[services/brief/procurement-new-framework#framework](http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework#framework)] provides a useful explanation of the process, as well as a sample letter of complaint.

In summary, there are four essential requirements:

1. You must be an 'interested party'. In this case, that means a Bidder who submitted a Bid in this bidding process, and is the recipient of a Notification of Intention to Award.
2. The complaint can only challenge the decision to award the contract.
3. You must submit the complaint within the period stated above.
4. You must include, in your complaint, all of the information required by the Procurement Regulations (as described in Annex III).

## 6. Standstill Period

**DEADLINE: The Standstill Period is due to end at midnight on [insert date] (local time).**

The Standstill Period lasts ten (10) Business Days after the date of transmission of this Notification of Intention to Award.

The Standstill Period may be extended as stated in Section 4 above.

If you have any questions regarding this Notification, please do not hesitate to contact us.

On behalf of the Employer:

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title/position:** \_\_\_\_\_



**Telephone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

## Beneficial Ownership Disclosure Form

*INSTRUCTIONS TO BIDDERS: DELETE THIS BOX ONCE YOU HAVE COMPLETED THE FORM*  
 This Beneficial Ownership Disclosure Form ("Form") is to be completed by the successful Bidder. In case of joint venture, the Bidder must submit a separate Form for each member. The beneficial ownership information to be submitted in this Form shall be current as of the date of its submission.

For the purposes of this Form, a Beneficial Owner of a Bidder is any natural person who ultimately owns or controls the Bidder by meeting one or more of the following conditions:

- directly or indirectly holding 25% or more of the shares
- directly or indirectly holding 25% or more of the voting rights
- directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder

**RFB No.:** [insert number of RFB process]

**Request for Bid No.:** [insert identification]

**To:** [insert complete name of Employer]

In response to your request in the Letter of Acceptance dated [insert date of letter of Acceptance] to furnish additional information on beneficial ownership: [select one option as applicable and delete the options that are not applicable]

(i) We hereby provide the following beneficial ownership information.

**Details of beneficial ownership**

| Identity of Beneficial Owner   | Directly or indirectly holding 25% or more of the shares<br>(Yes / No) | Directly or indirectly holding 25 % or more of the Voting Rights<br>(Yes / No) | Directly or indirectly having the right to appoint a majority of the board of the directors or an equivalent governing body of the Bidder<br>(Yes / No) |
|--|--|--|---|
| [include full name (last, middle, first), nationality, country of residence] |  |  |   |

**OR**

(ii) We declare that there is no Beneficial Owner meeting one or more of the following conditions:

- directly or indirectly holding 25% or more of the shares
- directly or indirectly holding 25% or more of the voting rights

- directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder

**OR**

(iii) We declare that we are unable to identify any Beneficial Owner meeting one or more of the following conditions. [If this option is selected, the Bidder shall provide explanation on why it is unable to identify any Beneficial Owner]

- directly or indirectly holding 25% or more of the shares
- directly or indirectly holding 25% or more of the voting rights
- directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder”

**Name of the Bidder:** \*[insert complete name of the Bidder]\_\_\_\_\_

**Name of the person duly authorized to sign the Bid on behalf of the Bidder:** \*\*[insert complete name of person duly authorized to sign the Bid]\_\_\_\_\_

**Title of the person signing the Bid:** [insert complete title of the person signing the Bid]\_\_\_\_\_

**Signature of the person named above:** [insert signature of person whose name and capacity are shown above]\_\_\_\_\_

**Date signed** [insert date of signing] **day of** [insert month], [insert year]\_\_\_\_\_

\* In the case of the Bid submitted by a Joint Venture specify the name of the Joint Venture as Bidder. In the event that the Bidder is a joint venture, each reference to “Bidder” in the Beneficial Ownership Disclosure Form (including this Introduction thereto) shall be read to refer to the joint venture member.

\*\* Person signing the Bid shall have the power of attorney given by the Bidder. The power of attorney shall be attached with the Bid Schedules.

## Letter of Acceptance

To: \_\_\_\_\_

This is to notify you that your Bid dated \_\_\_\_\_ for execution of the \_\_\_\_\_ for the Contract Price in the aggregate of \_\_\_\_\_, as corrected and modified in accordance with the Instructions to Bidders is hereby accepted by our Agency.

You are requested to furnish (i) the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose one of the Performance Security Forms and (ii) the additional information on beneficial ownership in accordance with BDS ITB 46.1, within eight (8) Business days using the Beneficial Ownership Disclosure Form, included in Section X, - Contract Forms, of the bidding document.

Authorized Signature: \_\_\_\_\_  
Name and Title of Signatory: \_\_\_\_\_  
Name of Agency: \_\_\_\_\_

Attachment: Contract Agreement

## Contract Agreement Design, Installation and Commissioning

THIS AGREEMENT is made the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
BETWEEN

(1) \_\_\_\_\_, a corporation incorporated under the laws of \_\_\_\_\_ and having its principal place of business at \_\_\_\_\_ (hereinafter called “the Employer”), and (2) \_\_\_\_\_, a corporation incorporated under the laws of \_\_\_\_\_ and having its principal place of business at \_\_\_\_\_ (hereinafter called “the Contractor”).

WHEREAS the Employer desires to engage the Contractor to design, manufacture, test, deliver, install, complete and commission certain Facilities, viz. \_\_\_\_\_ (“the Facilities”), and the Contractor has agreed to such engagement upon and subject to the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:

### **Article 1. Contract Documents**

- 1.1 Contract Documents (Reference GCC Clause 2)  
The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract:
- (a) This Contract Agreement and the Appendices hereto
  - (b) Letter of Bid and Price Schedules submitted by the Contractor
  - (c) Particular Conditions of Contract
  - (d) General Conditions of Contract
  - (e) Specification
  - (f) Drawings
  - (g) Other completed Bidding forms submitted with the Bid
  - (h) Any other documents forming part of the Employer’s Requirements
  - (i) Any other documents forming part of the contract, including, but not limited to:
    - i. the ES Management Strategies and Implementation Plans; and
    - ii. Code of Conduct for Contractor’s Personnel (ES).

*[Any other documents shall be added here.]*

- 1.2 Order of Precedence (Reference GCC Clause 2)  
In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence

- shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.
- Article 2. Contract Price and Terms of Payment**
- 1.3 Definitions (Reference GCC Clause 1)  
Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions of Contract.
- 2.1 Contract Price (Reference GCC Clause 11)  
The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder. The Contract Price shall be the aggregate of: \_\_\_\_\_, \_\_\_\_\_ as specified in Price Schedule No. 7 (Grand Summary), and \_\_\_\_\_, \_\_\_\_\_, or such other sums as may be determined in accordance with the terms and conditions of the Contract.
- 2.2 Terms of Payment (Reference GCC Clause 12)  
The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in the Appendix (Terms and Procedures of Payment) hereto. The Employer may instruct its bank to issue an irrevocable confirmed documentary credit made available to the Contractor in a bank in the country of the Contractor. The credit shall be for an amount of \_\_\_\_\_; and shall be subject to the Uniform Customs and Practice for Documentary Credits 2007 Revision, ICC Publication No. 600. In the event that the amount payable under Schedule No. 6 is adjusted in accordance with GCC 11.2 or with any of the other terms of the Contract, the Employer shall arrange for the documentary credit to be amended accordingly.
- Article 3. Effective Date**
- 3.1 Effective Date (Reference GCC Clause 1)  
The Effective Date from which the Time for Completion of the Facilities shall be counted is the date when all of the following conditions have been fulfilled:
- (a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor;
  - (b) The Contractor has submitted to the Employer the Performance Security;
  - (c) The Contractor has submitted to the Employer the advance payment guarantee if the Contractor requires the Advance Payment;
- Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.
- 3.2 If the conditions listed under 3.1 are not fulfilled within two (2) months from the date of this Contract notification because of

reasons not attributable to the Contractor, the Parties shall discuss and agree on an equitable adjustment to the Contract Time for Completion and/or other relevant conditions of the Contract.

**Article 4.  
Communications**

- 4.1 The address of the Employer for notice purposes, pursuant to GCC 4.1 is: \_\_\_\_\_.
- 4.2 The address of the Contractor for notice purposes, pursuant to GCC 4.1 is: \_\_\_\_\_.

**Article 5.  
Appendices**

- 5.1 The Appendices listed in the attached List of Appendices shall be deemed to form an integral part of this Contract Agreement.
- 5.2 Reference in the Contract to any Appendix shall mean the Appendices attached hereto, and the Contract shall be read and construed accordingly.

IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

Signed by, for and on behalf of the Employer

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Title]

in the presence of \_\_\_\_\_

Signed by, for and on behalf of the Contractor

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Title]

in the presence of \_\_\_\_\_

## **APPENDICES AND ATTACHMENTS**

### APPENDICES

- Appendix 1 Terms and Procedures of Payment
- Appendix 2 Price Adjustment
- Appendix 3 Insurance Requirements
- Appendix 4 Time Schedule
- Appendix 5 List of Major Items of Plant and Installation Services and List of Approved Subcontractors
- Appendix 6 Scope of Works and Supply by the Employer
- Appendix 7 List of Documents for Approval or Review
- Appendix 8 Functional Guarantees

### ATTACHMENTS

- Attachment 1 Letter of Bid submitted by the contractor
- Attachment 2 Price Schedules
- Attachment 3 Power of Attorney
- Attachment 4 Employer's Notification of Award
- Attachment 5 Minutes of Contract Clarification Meeting
- Attachment 6 Joint Venture Agreement (If applicable)
- Attachment 7 Deed of Assignment (If applicable)



## Appendix 1. Terms and Procedures of Payment

In accordance with the provisions of GCC Clause 12 (Terms of Payment), the Employer shall pay the Contractor in the following manner and at the following times, on the basis of the Price Breakdown given in the section on Price Schedules. Payments will be made in the currencies quoted by the Bidder unless otherwise agreed between the Parties. Applications for payment in respect of part deliveries may be made by the Contractor as work proceeds.

### TERMS OF PAYMENT

#### Schedule No. 1. Plant and Equipment Supplied from Abroad

In respect of plant and equipment supplied from abroad, the following payments shall be made:

Ten percent (10%) of the total CIP amount as an advance payment against receipt of proforma invoice and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of the plant and equipment delivered to the site, as evidenced by shipping and delivery documents.

Forty percent (40%) of the total or pro rata CIP amount upon Incoterm "CIP", upon successful factory acceptance tests and delivery to carrier and within forty-five (45) days after receipt of documents.

Forty percent (40%) of the total or pro rata CIP amount upon delivery to site, installation and commissioning within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata CIP amount upon issuance of the Completion Certificate, within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata CIP amount upon issue of the Operational Acceptance Certificate, within forty-five (45) days after receipt of invoice.

#### Schedule No. 2. Plant and Equipment Supplied from within the Employer's Country

In respect of plant and equipment supplied from within the Employer's Country, the following payments shall be made:

Ten percent (10%) of the total EXW amount as an advance payment against receipt of proforma invoice, and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of the plant and equipment delivered to the site, as evidenced by shipping and delivery documents.

Forty percent (40%) of the total or pro rata EXW amount upon Incoterm “EXW”, upon successful factory acceptance tests, delivery, inspection and acceptance of equipments to site within sixty (60) days after receipt of documents.

Forty percent (40%) of the total or pro rata EXW amount upon delivery to site, installation and commissioning within sixty (60) days after receipt of invoice.

Five percent (5%) of the total or pro rata EXW amount upon issue of the Completion Certificate, within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata EXW amount upon issue of the Operational Acceptance Certificate, within forty-five (45) days after receipt of invoice.

### Schedule No. 3. Design Services

In respect of design services for both the foreign currency and the local currency portions, the following payments shall be made:

Ten percent (10%) of the total design services amount as an advance payment against receipt of proforma invoice, and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer.

Ninety percent (90%) of the total or pro rata design services amount upon acceptance of design in accordance with GCC Clause 20 by the Project Manager within forty-five (45) days after receipt of invoice.

### Schedule No. 4. Installation Services

In respect of installation services for both the foreign and local currency portions, the following payments shall be made:

Ten percent (10%) of the total installation services amount as an advance payment against receipt of proforma invoice, and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of work performed by the Contractor as evidenced by the invoices for installation services.

Eighty percent (80%) of the measured value of work performed by the Contractor, as identified in the said Program of Performance, during the preceding month, as evidenced by the Employer’s authorization of the Contractor’s application, will be made monthly within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata value of installation services performed by the Contractor as evidenced by the Employer’s authorization of the Contractor’s

monthly applications, upon issuance of the Completion Certificate, within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata value of installation services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly applications, upon issuance of the Operational Acceptance Certificate, within forty-five (45) days after receipt of invoice.

Schedule No. 5. Environmental, Social, Health and Safety (ESHS) Services

In respect of ESHS services for both the foreign and local currency portions, the following payments shall be made:

Ten percent (10%) of the total ESHS services amount as an advance payment against receipt of proforma invoice, and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of work performed by the Contractor as evidenced by the invoices for installation services.

Eighty percent (80%) of the measured value of ESHS services provided by the Contractor, as identified in the said Program of Performance, during the preceding month, as evidenced by the Employer's authorization of the Contractor's application, will be made monthly within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata value of ESHS services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly applications, upon issuance of the Completion Certificate, within forty-five (45) days after receipt of invoice.

Five percent (5%) of the total or pro rata value of ESHS services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly applications, upon issuance of the Operational Acceptance Certificate, within forty-five (45) days after receipt of invoice.

Schedule No.6 Payment terms for O&M Contract

Operation and Maintenance of Solar Power Plant and the Power Distribution Network including attending to Faults and Complains for 7 Years Operations and Maintenance (O&M) Services:

- (i) During first four years of the O&M period, 11.5% of the contract price will be paid yearly for O&M cost.
- (ii) 18.0% of the contract price shall be paid annually during the year 5 to 7 for O&M services.

against satisfactory performance report of the O&M services by the project manager. The O&M fees for SPGP, PDN and DG shall be paid after every 3 months (Quarterly). The Contractor shall bill the Employer their quoted annual charges quarterly, in arrears.

**Interest on delayed payments**

In the event that the Employer fails to make any payment on its respective due date, the Employer shall pay to the Contractor interest on the amount of such delayed payment at the rate of:

The interest rate for foreign currency payments to be LIBOR (6 months average) and for local currency payments at the prevailing Central Bank of Kenya (CBK) rate.

**PAYMENT PROCEDURES**

The procedures to be followed in applying for certification and making payments shall be as follows:

Schedule 1 - Payments shall be made through Telegraphic Transfers, RTGS or Letter of Credit (LC). For the LC option, the charges levied by all the Banks that are party to the LC will be borne by the contractor (beneficiary).

Schedule 2, 3, 4, 5 and 6 - The payments shall be made directly to the Contractor through Telegraphic Transfers or RTGS.

In case of Contractor being a Joint Venture of two or more firms, the payment under the Contract shall be received by the Lead Partner on behalf of the Joint Venture, as per power

Conferred to it in the Power of Attorney. The payment under the Contract, however, can also

Be received by other Partner (s) based on authorization of the Lead Partner.

## Appendix 2: Price Adjustment

Where the Contract Period (excluding the Defects Liability Period) exceeds eighteen (18) months, it is normal procedure that prices payable to the Contractor shall be subject to adjustment during the performance of the Contract to reflect changes occurring in the cost of labor and material components. In such cases the bidding document shall include in this form a formula of the following general type, pursuant to PCC Sub-Clause 11.2.

Where Contracts are of a shorter duration than eighteen (18) months or in cases where there is to be no Price Adjustment, the following provision shall not be included. Instead, it shall be indicated under this form that the prices are to remain firm and fixed for the duration of the Contract.

### **Sample Price Adjustment Formula**

If in accordance with GCC 11.2, prices shall be adjustable, the following method shall be used to calculate the price adjustment:

Prices payable to the Contractor, in accordance with the Contract, shall be subject to adjustment during performance of the Contract to reflect changes in the cost of labor and material components, in accordance with the following formula:

$$P_1 = P_0 \times \left( a + b \frac{L_1}{L_0} + c \frac{M_1}{M_0} \right) - P_0$$

in which:

$P_1$  = adjustment amount payable to the Contractor

$P_0$  = Contract price (base price)

$a$  = percentage of fixed element in Contract price ( $a = \%$ )

$b$  = percentage of labor component in Contract price ( $b = \%$ )

$c$  = percentage of material and equipment component in Contract price ( $c = \%$ )

$L_0, L_1$  = labor indices applicable to the appropriate industry in the country of origin on the base date and the date for adjustment, respectively

$M_0, M_1$  = material and equipment indices in the country of origin on the base date and the date for adjustment, respectively

N.B.  $a+b+c= 100\%$ .

### Conditions Applicable To Price Adjustment

The Bidder shall indicate the source of labor, source of exchange rate and materials indices and the base date indices in its bid.

| <u>Item</u> | <u>Source of Indices Used</u> | <u>Base Date Indices</u> |
|-------------|-------------------------------|--------------------------|
|-------------|-------------------------------|--------------------------|

The base date shall be the date thirty (30) days prior to the Bid closing date.

The date of adjustment shall be the mid-point of the period of manufacture or installation of component or Plant.

The following conditions shall apply:

- (c) No price increase will be allowed beyond the original delivery date unless covered by an extension of time awarded by the Employer under the terms of the Contract. No price increase will be allowed for periods of delay for which the Contractor is responsible. The Employer will, however, be entitled to any price decrease occurring during such periods of delay.
- (d) If the currency in which the Contract price,  $P_0$ , is expressed is different from the currency of the country of origin of the labor and/or materials indices, a correction factor will be applied to avoid incorrect adjustments of the Contract price. The correction factor shall be:  $Z_0 / Z_1$ , where,
  - $Z_0$  = the number of units of currency of the origin of the indices which equal to one unit of the currency of the Contract Price  $P_0$  on the Base date, and
  - $Z_1$  = the number of units of currency of the origin of the indices which equal to one unit of the currency of the Contract Price  $P_0$  on the Date of Adjustment.
- (e) No price adjustment shall be payable on the portion of the Contract price paid to the Contractor as an advance payment.

## Appendix 3. Insurance Requirements

### Insurances to be Taken Out by the Contractor

In accordance with the provisions of GCC Clause 34, the Contractor shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurances set forth below in the sums and with the deductibles and other conditions specified. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, such approval not to be unreasonably withheld.

(a) Cargo Insurance

Covering loss or damage occurring, while in transit from the supplier's or manufacturer's works or stores until arrival at the Site, to the Facilities (including spare parts therefor) and to the construction equipment to be provided by the Contractor or its Subcontractors.

| <u>Amount</u> | <u>Deductible limits</u> | <u>Parties insured</u> | <u>From</u> | <u>To</u> |
|---------------|--------------------------|------------------------|-------------|-----------|
|---------------|--------------------------|------------------------|-------------|-----------|

(b) Installation All Risks Insurance

Covering physical loss or damage to the Facilities at the Site, occurring prior to completion of the Facilities, with an extended maintenance coverage for the Contractor's liability in respect of any loss or damage occurring during the defect liability period while the Contractor is on the Site for the purpose of performing its obligations during the defect liability period.

| <u>Amount</u> | <u>Deductible limits</u> | <u>Parties insured</u> | <u>From</u> | <u>To</u> |
|---------------|--------------------------|------------------------|-------------|-----------|
|---------------|--------------------------|------------------------|-------------|-----------|

(c) Third Party Liability Insurance

Covering bodily injury or death suffered by third parties (including the Employer's personnel) and loss of or damage to property (including the Employer's property and any parts of the Facilities that have been accepted by the Employer) occurring in connection with the supply and installation of the Facilities.

| <u>Amount</u> | <u>Deductible limits</u> | <u>Parties insured</u> | <u>From</u> | <u>To</u> |
|---------------|--------------------------|------------------------|-------------|-----------|
|---------------|--------------------------|------------------------|-------------|-----------|

(d) Automobile Liability Insurance

Covering use of all vehicles used by the Contractor or its Subcontractors (whether or not owned by them) in connection with the supply and installation of the Facilities. Comprehensive insurance in accordance with statutory requirements.

(e) Workers' Compensation

In accordance with the statutory requirements applicable in any country where the Facilities or any part thereof is executed.

(f) Employer's Liability

In accordance with the statutory requirements applicable in any country where the Facilities or any part thereof is executed.

(g) Other Insurances

The Contractor is also required to take out and maintain at its own cost the following insurances:

Details:

| <u>Amount</u> | <u>Deductible limits</u> | <u>Parties insured</u> | <u>From</u> | <u>To</u> |
|---------------|--------------------------|------------------------|-------------|-----------|
|---------------|--------------------------|------------------------|-------------|-----------|

The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1, except for the Third-Party Liability, Workers' Compensation and Employer's Liability Insurances, and the Contractor's Subcontractors shall be named as co-insureds under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1, except for the Cargo, Workers' Compensation and Employer's Liability Insurances. All insurer's rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies.



**Insurances to Be Taken Out By The Employer**

The Employer shall at its expense take out and maintain in effect during the performance of the Contract the following insurances.

Details:

| <u>Amount</u> | <u>Deductible limits</u> | <u>Parties insured</u> | <u>From</u> | <u>To</u> |
|---------------|--------------------------|------------------------|-------------|-----------|
|---------------|--------------------------|------------------------|-------------|-----------|

## **Appendix 4. Time Schedule**

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## Appendix 5. List of Major Items of Plant and Installation Services and List of Approved Subcontractors

A list of major items of Plant and Installation Services is provided below.

The following Subcontractors and/or manufacturers are approved for carrying out the items of the Facilities indicated below. Where more than one Subcontractor is listed, the Contractor is free to choose between them, but it must notify the Employer of its choice in good time prior to appointing any selected Subcontractor. In accordance with GCC Sub-Clause 19.1, the Contractor is free to submit proposals for Subcontractors for additional items from time to time. No Subcontracts shall be placed with any such Subcontractors for additional items until the Subcontractors have been approved in writing by the Employer and their names have been added to this list of Approved Subcontractors.

| Major Items of Plant and Installation Services | Approved Subcontractors/Manufacturers | Nationality |
|--|---------------------------------------|-------------|
|  |                                       |             |
|  |                                       |             |
|  |                                       |             |

## Appendix 6. Scope of Works and Supply by the Employer

The following personnel, facilities, works and supplies will be provided/supplied by the Employer, and the provisions of GCC Clauses 10, 21 and 24 shall apply as appropriate.

All personnel, facilities, works and supplies will be provided by the Employer in good time so as not to delay the performance of the Contractor, in accordance with the approved Time Schedule and Program of Performance pursuant to GCC Sub-Clause 18.2.

Unless otherwise indicated, all personnel, facilities, works and supplies will be provided free of charge to the Contractor.

Personnel

Charge to Contractor (if any)

Facilities

Charge to Contractor (if any)

Works

Charge to Contractor (if any)

Supplies

Charge to Contractor (if any)

## Appendix 7. List of Documents for Approval or Review

Pursuant to GCC Sub-Clause 20.3.1, the Contractor shall prepare, or cause its Subcontractor to prepare, and present to the Project Manager in accordance with the requirements of GCC Sub-Clause 18.2 (Program of Performance), the following documents for

A. Approval

- 1.
- 2.
- 3.

B. Review

- 1.
- 2.
- 3.

**Appendix 8. Functional Guarantees**

1. General

This Appendix sets out

- (a) The functional guarantees referred to in GCC Clause 28 (Functional Guarantees)
- (b) The preconditions to the validity of the functional guarantees, either in production and/or consumption, set forth below
- (c) The minimum level of the functional guarantees
- (d) The formula for calculation of liquidated damages for failure to attain the functional guarantees.

2. Preconditions

The Contractor gives the functional guarantees (specified herein) for the facilities, subject to the following preconditions being fully satisfied:

\_\_\_\_\_

3. Functional Guarantees

Subject to compliance with the foregoing preconditions, the Contractor guarantees as follows:

3.1 Production Capacity

\_\_\_\_\_

**and/or**

3.2 Raw Materials and Utilities Consumption

\_\_\_\_\_

4. Failure in Guarantees and Liquidated Damages

4.1 Failure to Attain Guaranteed Production Capacity

If the production capacity of the facilities attained in the guarantee test, pursuant to GCC Sub-Clause 25.2, is less than the guaranteed figure specified in para. 3.1 above, but the actual production capacity attained in the guarantee test is not less than the minimum level specified in para. 4.3 below, and the Contractor elects to pay liquidated damages to the Employer in lieu of making changes, modifications and/or additions to the Facilities, pursuant to GCC Sub-Clause 28.3, then the Contractor shall pay liquidated damages at the rate of \_\_\_\_\_ for every complete one percent (1%) of the deficiency in the

production capacity of the Facilities, or at a proportionately reduced rate for any deficiency, or part thereof, of less than a complete one percent (1%).

#### 4.2 Raw Materials and Utilities Consumption in Excess of Guaranteed Level

---

If the actual measured figure of specified raw materials and utilities consumed per unit (or their average total cost of consumption) exceeds the guaranteed figure specified in para. 3.2 above (or their specified average total cost of consumption), but the actual consumption attained in the guarantee test, pursuant to GCC Sub-Clause 25.2, is not more than the maximum level specified in para. 4.3 below, and the Contractor elects to pay liquidated damages to the Employer in lieu of making changes, modifications and/or additions to the Facilities pursuant to GCC Sub-Clause 28.3, then the Contractor shall pay liquidated damages at the rate of [amount in the contract currency] for every complete one percent (1%) of the excess consumption of the Facilities, or part thereof, of less than a complete one percent (1%).

#### 4.3 Minimum Levels

Notwithstanding the provisions of this paragraph, if as a result of the guarantee test(s), the following minimum levels of performance guarantees (and consumption guarantees) are not attained by the Contractor, the Contractor shall at its own cost make good any deficiencies until the Facilities reach any of such minimum performance levels, pursuant to GCC Sub-Clause 28.2:

(a) Production capacity of the Facilities attained in the guarantee test: ninety-five percent (95%) of the guaranteed production capacity (the values offered by the Contractor in its Bid for functional guarantees represents 100%).

**and/or**

(b) Average total cost of consumption of all the raw materials and utilities of the Facilities: one hundred and five percent (105%) of the guaranteed figures (the figures offered by the Contractor in its Bid for functional guarantees represents 100%).

#### 4.4 Limitation of Liability

Subject to para. 4.3 Above, the Contractor's aggregate liability to pay liquidated damages for failure to attain the functional guarantees shall not exceed \_\_\_\_\_ percent ( \_\_\_ %) of the Contract price.

# Operations & Maintenance Contract



**Contract Agreement Operations and Maintenance**

**For  
Solar Photovoltaic Power Generation Plants with Associated Power  
Distribution Network (Mini-Grids) in \_\_\_\_\_ County with 7 Years  
Operations and Maintenance (O&M) Services & Reliable Supply Power to  
the Consumers  
Between**

**THE KENYA POWER & LIGHTING COMPANY PLC  
“The Employer” of one part**

**AND**

---

**“The Contractor” of the other part**

**CONTRACT No: \_\_\_\_\_**

## CONTRACT AGREEMENT

THIS AGREEMENT is made the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
BETWEEN

(1) **The Kenya Power & Lighting Company PLC** incorporated under the laws of Kenya and having its principal place of business at Stima Plaza, Kolobot Road P.O Box 300999-00100 Nairobi (hereinafter called “the Employer”),

and

(2) \_\_\_\_\_, a company incorporated under the laws of \_\_\_\_\_ and having its principal place of business at \_\_\_\_\_ (hereinafter called “the Contractor”).

### WHEREAS;

The Employer desires to engage the Contractor for Operation and Maintenance services of the facilities and reliable supply of power to the consumers for a period of 7 Years of Operations and Maintenance (O&M) Services for the Generation System and a period of 5 Years O&M Services for the Distribution Network in selected un-electrified areas in Kenya pursuant to the contract already signed between the contractor and The Rural Electrification and Renewable Energy Corporation for the Design, Supply, Installation and Commissioning of Solar Photovoltaic Power Generation Plants with Associated Power Distribution Network (PDN).

NOW IT IS HEREBY AGREED as follows:

- Article 1. Contract Documents** 1.1 Contract Documents (Reference GCC Clause 2)  
The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract:
- a) Contract Agreement for the Design, Supply, Installation and Commissioning of Solar Photovoltaic Power Generation Plants with Associated Power Distribution Network (Supply and Installation) between Rural Electrification and Renewable Energy Corporation and the Contractor.
  - b) This Contract agreement and the appendices hereto

- c) Letter of Commencement for Operations and Maintenance (O&M)
  - d) Letter of Bid and lump sum Payment schedule as submitted by the contractor for O&M part
  - e) Particular Conditions of Contract;
  - f) General Conditions of Contract;
  - g) Other completed bidding forms submitted with the Bid for O& M part
  - h) Any other documents forming part of the Employer's Requirements including stakeholder engagement plan, the Grievance Redress Mechanism that applies during O& M period
  - i) the following Appendices:
    - A. General Condition for Dispute Board Agreement;
    - B. Dispute Board Guideline;
    - C. Environmental, Social, Health and Safety (ESHS) Metrics for Progress Reports;
    - D. Copy of Operational Certificates of SPGP & PDN
    - E. Technical Documents as per Scope of Work;
    - F. Scope of WORKs & SERVICES for O&M including Technical specifications of all the equipment and material installed, Type & Routine test reports, Site Acceptance test reports, Instruction manuals, O&M Manuals, Bill of materials;
    - G. Annual maintenance schedules and programs for SPGP and PDN;
    - H. Prices schedule for Operations and Maintenance as indicated in the successful bidder's bid;
    - I. Sets of As-built Drawings Showing therein modification and correction, if any made during the course of execution signed by the contractor;
    - J. Copies of Statutory clearances/permissions;
    - K. O&M performance measurement and payment terms;
    - L. Insurance, penalties and condition of facilities handover at the end of the contract period;
    - M. Schedule of requirements.
- 1.2 Order of Precedence (Reference GCC Clause 2)  
In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.
- 1.3 Definitions (Reference GCC Clause 1)  
Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions of Contract.

- 
- Article 2. Contract Price and Terms of Payment**
- 2.1 Contract Price (Reference GCC Clause 11)  
The Employer hereby agrees to pay to the Contractor the Contract Price in Phase-2 for the O&M Period (7 Years period of Operations and Maintenance (O&M) Services) in consideration of the performance by the Contractor of its obligations hereunder. The Contract Price shall be \_\_\_\_\_ as specified in price schedule No.7 (Grand Summary) of respective Mini Grid shall be:  
Lot No \_\_\_\_\_  
Mini Grid No 1 - \_\_\_\_\_ As per Price Sc-7 (Grand Summary)
- 2.2 Terms of Payment (Reference GCC Clause 12)  
The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in the Appendix-1 (Terms and Procedures of Payment) hereto.
- Article 3. Effective Date**
- 3.1 Effective Date (Reference GCC Clause 1)  
The Effective Date shall be the time from which Design, Supply, Installation and Commissioning of Solar Photovoltaic Generation Plants with Associated Power Distribution Network (Supply and Installation) of the Contract has been concluded and shall be counted from the date when all of the following conditions have been fulfilled:
- a) Issuance of Operational Certificates of SPGP and PDN for all mini grids
  - b) Issuance of Letter of Commencement for Operation and Maintenance (O&M)
  - c) The Contractor has submitted to the Employer the Performance Security
- 3.2 The End of the Contract shall be completion of the O& M Period (7 Years of Operations and Maintenance (O&M) Services) from the Effective Date for O&M services.
- Article 4. Communications**
- 4.1 The address of the Employer for notice purposes, pursuant to GCC 4.1 is: **The Kenya Power & Lighting Company PLC, Stima Plaza, Kolobot Road P.O Box 30099-00100 Nairobi**
- 4.3 The address of the Contractor for notice purposes, pursuant to GCC 4.1 is: \_\_\_\_\_
- Article 5. Appendices**
- 1.1 The Appendices listed in the attached List of Appendices shall be deemed to form an integral part of this Contract Agreement O&M.

1.2 Reference in the Contract to any Appendix shall mean the Appendices attached hereto, and the Contract shall be read and construed accordingly.

IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

**For and on behalf of The Kenya Power and Lighting Company PLC**

---

**MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**

In the presence of

---

**GENERAL MANAGER, CORPORATE AFFAIRS & COMPANY SECRETARY**

**For and on behalf of** \_\_\_\_\_

---

*[Signature]*

---

*[Title]*

in the presence of \_\_\_\_\_

---

*[Signature]*

---

*[Title]*

## Appendices and Attachments

- Letter of Commencement for Operations and Maintenance (O&M)
- Letter of Bid and lump sum Payment schedule as submitted by the contractor for O&M part
- Particular Conditions of Contract
- General Conditions of Contract
- Other completed bidding forms submitted with the Bid for O& M part
- Any other documents forming part of the Employer's Requirements including stakeholder engagement plan, the Grievance Redress Mechanism that applies during O& M period
- General Condition for Dispute Board Agreement
- Dispute Board Guideline
- Environmental, Social, Health and Safety (ESHS) Metrics for Progress Reports
- Copy of Operational Certificates of SPGP & PDN
- Technical Documents as per Scope of Work
- Scope of WORKs & SERVICES for O&M including Technical specifications of the all the equipment and material installed, Type & Routine test reports, Site Acceptance test reports, Instruction manuals, O&M Manuals, Bill of materials
- Volume II, Employer's Requirements, Technical Specifications and Drawings (ERTS)
- Annual maintenance schedules and programs for SPGP and PDN
- Price schedule for Operations and Maintenance as indicated in the successful bidder's bid
- Sets of as built Drawing Showing therein modification and correction, if any, made during the course of execution signed by the contractor
- Copies of Statutory clearances/permissions
- O&M performance measurement and payment terms
- Insurance, penalties and condition of facilities handover at the end of the contract period
- Schedule of requirements
- Power of Attorney

**Particular Conditions of Contract (PCC) – Operations & Maintenance Phase**

The following Particular Conditions of Contract (PCC) shall supplement the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract. The clause number of the PCC is the corresponding clause number of the GCC.

| <b>PCC 1. Definitions</b>                                      | <p>The Employer is: Kenya Power and Lighting Company PLC (KPLC)<br/>                 The Project Manager is: Project Manager for KPLC shall be designated before finalization of the Contract<br/>                 The Bank is: World Bank<br/>                 Country of Origin: All countries and territories as indicated in Section V of the bidding document, Eligible Countries.</p>  |                |  |  |                               |                |                |   |  |     |  |   |  |        |  |
|--|--|----------------|--|--|-------------------------------|----------------|----------------|---|--|-----|--|---|--|--------|--|
| <b>PCC 5. Law and Language</b>                                 | <p>PCC 5.1 The Contract shall be interpreted in accordance with the laws of:<br/> <b>Kenya</b><br/>                 PCC 5.2 The ruling language is: <b>English</b><br/>                 PCC 5.3 The language for communications is: <b>English</b></p>   |                |  |  |                               |                |                |   |  |     |  |   |  |        |  |
| <b>PCC 7. Scope of Facilities [Spare Parts] (GCC Clause 7)</b> | <p>PCC 7.1 The Contractor’s scope for the O&amp;M period shall include the following :</p> <p><b>Key Performance Indicators for Contractor during the O&amp;M Period</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 45%;">O&amp;M Key Performance Indicator</th> <th style="width: 15%;">Expected value</th> <th style="width: 35%;">How to measure</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Minimum uptime of the SPGP (Plant Availability) throughout the quarter per site.</td> <td style="text-align: center;">90%</td> <td>The Plant Availability (PA)<sup>1</sup> will be calculated as a percentage to represent the time that the power plant is available to provide energy.</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Quarterly MTTR – Mean Time to Repair power loss/breakdown of the SPGP per lot.</td> <td style="text-align: center;">2 days</td> <td>This will be the average time taken by the bidder to carry out repairs.<sup>1</sup></td> </tr> </tbody> </table> |                |  |  | O&M Key Performance Indicator | Expected value | How to measure | 1 | Minimum uptime of the SPGP (Plant Availability) throughout the quarter per site. | 90% | The Plant Availability (PA) <sup>1</sup> will be calculated as a percentage to represent the time that the power plant is available to provide energy. | 2 | Quarterly MTTR – Mean Time to Repair power loss/breakdown of the SPGP per lot. | 2 days | This will be the average time taken by the bidder to carry out repairs. <sup>1</sup> |
|  | O&M Key Performance Indicator  | Expected value | How to measure   |  |                               |                |                |   |  |     |  |   |  |        |  |
| 1  | Minimum uptime of the SPGP (Plant Availability) throughout the quarter per site.   | 90%            | The Plant Availability (PA) <sup>1</sup> will be calculated as a percentage to represent the time that the power plant is available to provide energy. |  |                               |                |                |   |  |     |  |   |  |        |  |
| 2  | Quarterly MTTR – Mean Time to Repair power loss/breakdown of the SPGP per lot.   | 2 days         | This will be the average time taken by the bidder to carry out repairs. <sup>1</sup>   |  |                               |                |                |   |  |     |  |   |  |        |  |

<sup>1</sup> Source of data is logs, records and reports referred to in clause 2.3.3 of Volume II ERTS.

|   |  |                                       |    |  |
|---|--|---------------------------------------|----|--|
|   | 3  | Medium voltage breakdowns per quarter | 6  | This will be the number of sustained breakdowns on the medium voltage (MV) power lines per quarter |
|   | 4  | Low voltage incidences per quarter    | 20 | This will be the total number of low voltage incidences per quarter                                |
| <p><b>PCC 8. Time for Commencement and Completion</b></p> | <p><i>Note; The KPIs shall be revised annually.</i></p> <p>PCC 7.3 The Contractor agrees to supply spare parts for a period of years: 7 Years period of Operations and Maintenance (O&amp;M) Services for the Generation System and the Distribution Network</p> <p><b>Sample Addition to PCC 7.3</b></p> <p>The Contractor shall carry sufficient inventories to ensure an ex-stock supply of consumable spares for the Plant. Other spare parts and components shall be supplied as promptly as possible, but at the most within six (6) months of placing the order and opening the letter of credit. In addition, in the event of termination of the production of spare parts, advance notification will be made to the Employer of the pending termination, with sufficient time to permit the Employer to procure the needed requirement. Following such termination, the Contractor will furnish to the extent possible and at no cost to the Employer the blueprints, drawings and specifications of the spare parts, if requested.</p> <p>PCC 8.1 The Contractor shall commence O&amp;M services on the Facilities on the effective date</p> <p>PCC 8.2 Time for Completion: The time of completion of the contract (O&amp;M services), is 7 years after commencement of O&amp;M contract for the Operations and Maintenance (O&amp;M) Services.</p> <p><b>Connections to Consumers</b></p> <p>As per Supply and Installation contract</p> <p><b>O&amp; M Period</b></p> |                                       |    |  |



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|   |   |
|---|---|
|   | 7 years of Operation and Maintenance(O&M) of the mini-grids and reliable supply of power to consumers from the commissioning of SPGP & PDN.   |
| <b>PCC 9. Contractor's Responsibilities</b>             | PCC 9.1 : The Contractor shall be responsible for the measurement of all O&M Contract KPIs.   |
| <b>PCC 10. Employer's Responsibilities</b>              | PCC 10.1 : The Employer shall be responsible for the verification and approval of all measured O&M Contract KPIs.   |
| <b>PCC 11. Contract Price</b>                           | <b>See earlier text on Price Adjustment</b>   |
| <b>PCC 13. Securities</b>                               | <p>PCC 13.3.1 The amount of Performance Security, as a percentage of the Contract Price for the Plant Facility shall be:<br/> Ten (10%) of the O&amp;M contract value renewable annually for nine (9) years (The Supply &amp; Installation and the O&amp;M periods).<br/> The Contractor shall ensure that the Performance Securities are valid at all times during the lifetime of the Contract.<br/> Contract Performance Security submitted for the O&amp;M stage shall be released to the Contractor without any interest within Sixty (60) days after the successful completion of the complete O&amp;M period (7 Years Operations and Maintenance (O&amp;M) Services) subject to the approval and acceptance of the O&amp;M period deliverables by the Engineer in charge/Technical Team.</p> <p>O&amp;M Period will start from the Operational acceptance of the Plant Facilities (SPGP and PDN).<br/> The Bidder will be responsible for operation and maintenance of the Plant after Commissioning till the Operational acceptance of Plant Facilities, without any additional cost to the Employer.</p> <p>PCC 13.3.2 The Performance Security shall be in the form of an Unconditional Bank Guarantee, using the form provided in Section X, Contract Forms.</p> |
| <b>PCC 22. Installation</b>                             | <p>PCC22.2.5 Working Hours<br/> Normal working hours are: <b>8 AM to 5 PM</b></p> <p>PCC 22.2.8 Funeral Arrangements: <b>will be arranged by Contractor</b></p>   |
| <b>PCC 25. Commissioning and Operational Acceptance</b> | PCC 25.2.2 After the the O&M period (7 Years period for Operations and Maintenance (O&M) Services), all the mini-grids should be in good operational condition during handing over to the client.   |

| <b>PCC 26.<br/>Completion Time<br/>Guarantee</b> | PCC 26.1 This does not apply on the O & M Contract.   |  |  |  |
|--|---|--|--|--|
|  | PCC 26.2  |  |  |  |
|  | Applicable rate of penalties for failure to meet performance targets shall be as per the table below: |  |  |  |
|  |   | <b>O&amp;M Key Performance Indicator</b>   | <b>Expected value</b>  | <b>Penalties</b>   |
|  | 1   | Minimum uptime of the SPGP (Plant Availability) and customer connection throughout the quarter per site. | 90%  | In case of failure to adhere to the 90% plant availability, a penalty is to be charged. The penalty amount will be discussed during contract clarifications. |
| 2  | Quarterly MTTR – Mean Time to Repair power loss/breakdown of the SPGP per lot.                        | 2 days   | If break down occurs or corrective maintenance is not accomplished, leading to a Mean Time to Repair of more than 2 days, a penalty is to be charged. The penalty amount will be discussed during contract clarifications. |  |
| 3  | Medium voltage breakdowns per quarter   | 6  | If more than 6 breakdowns occur per quarter then a penalty is to be charged. The penalty amount will be discussed during contract clarifications.  |  |
| 4  | Low voltage incidences per quarter  | 20   | If more than 20 incidences occur per quarter then a penalty is to be charged.  |  |

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|   |   |
|---|---|
|   | <p>The penalty amount will be discussed during contract clarifications.</p>   |
|   | <p><b>Note; The Penalties shall be revised annually.</b></p> <p>Maximum cumulative deduction for failure to meet performance targets: <b>10% of final O&amp;M Contract Price.</b><br/>PCC 26.3</p> <p>Applicable (<i>amount or rate</i>) for the bonus for early Completion: <b>Not Applicable</b></p> <p>Maximum bonus: <b>Not Applicable</b><br/>PCC 26.3</p> <p>No bonus will be given for earlier Completion of the Facilities or part thereof.</p>   |
| <p><b>PCC 27. Defect Liability</b></p>        | <p>PCC 27.1 The Contractor is fully responsible for any defect during the period of the contract that includes the <b>O&amp;M period</b> (7 Years period for Operations and Maintenance (O&amp;M) Services)</p>   |
| <p><b>PCC 30. Limitation of Liability</b></p> | <p><b>Sample Clause</b><br/>PCC 30.1 (b) The multiplier of the Contract Price is: <b>110%</b></p>   |
| <p><b>PCC46. Disputes and Arbitration</b></p> | <p>PCC 46.1 The DB shall be appointed within 60 days on need basis<br/>The DB shall comprise: <b>one member</b></p> <p>PCC 46.1 List of potential DB members: <b>None</b></p> <p>PCC 46.2 Appointment (if not agreed) to be made by:<br/><b>President of FIDIC or Kenya Chartered Institute of Arbitrators</b></p> <p>PCC 46.5 Procedure to settle disputes in respect of DB's decisions:</p> <p><b>Rules of arbitration</b><br/>GCC Sub-Clause 46.5(a) "<i>shall</i>" apply.<br/>GCC Sub-Clause 46.5 (b): "<i>shall</i>" apply.<br/>Place of arbitration: To be agreed between the Contractor and Employer</p> |

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## General Conditions of Contract – Operations & Maintenance Phase

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# General Conditions of Contract

## A. Contract and Interpretation

### 1. Definitions

1.1. The following words and expressions shall have the meanings hereby assigned to them:

**“Contract”** means the Contract Agreement entered into between the Employer and the Contractor, together with the Contract Documents referred to therein; they shall constitute the Contract, and the term “the Contract” shall in all such documents be construed accordingly.

**“Contract Documents”** means the documents listed in Article 1.1 (Contract Documents) of the Contract Agreement (including any amendments thereto).

**“GCC”** means the General Conditions of Contract hereof.

**“PCC”** means the Particular Conditions of Contract.

**“day”** means calendar day.

**“year”** means 365 days.

**“month”** means calendar month.

**“Party”** means the Employer or the Contractor, as the context requires, and “Parties” means both of them.

**“Employer”** means the person **named as such in the PCC** and includes the legal successors or permitted assigns of the Employer.

**“Project Manager”** means the person appointed by the Employer in the manner provided in GCC Sub-Clause 17.1 (Project Manager) hereof and **named as such in the PCC** to perform the duties delegated by the Employer.

**“Contractor”** means the person(s) whose Bid to perform the Contract has been accepted by the Employer and is named as Contractor in the Contract Agreement, and includes the legal successors or permitted assigns of the Contractor.

**“Contractor’s Representative”** means any person nominated by the Contractor and approved by the Employer in the manner provided in GCC Sub-Clause 17.2 (Contractor’s Representative and Construction Manager) hereof to perform the duties delegated by the Contractor.

**“Construction Manager”** means the person appointed by the Contractor’s Representative in the manner provided in GCC Sub-Clause 17.2.4.

**“Subcontractor,”** including manufacturers, means any person to whom execution of any part of the Facilities, including preparation of any design or supply of any Plant, is sub-contracted directly or indirectly by the Contractor, and includes its legal successors or permitted assigns.

**“Dispute Board” (DB)** means the person or persons named as such in the PCC appointed by agreement between the Employer and the

Contractor to make a decision with respect to any dispute or difference between the Employer and the Contractor referred to him or her by the Parties pursuant to GCC Sub-Clause 46.1 (Dispute Board) hereof.

**“The Bank”** means the financing institution **named in the PCC.**

**“Contract Price”** means the sum specified in Article 2.1 (Contract Price) of the Contract Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract.

**“Facilities”** means the Plant to be supplied and installed, as well as all the Installation Services to be carried out by the Contractor under the Contract.

**“Plant”** means permanent plant, equipment, machinery, apparatus, materials, articles and things of all kinds to be provided and incorporated in the Facilities by the Contractor under the Contract (including the spare parts to be supplied by the Contractor under GCC Sub-Clause 7.3 hereof), but does not include Contractor’s Equipment.

**“Installation Services”** means all those services ancillary to the supply of the Plant for the Facilities, to be provided by the Contractor under the Contract, such as transportation and provision of marine or other similar insurance, inspection, expediting, site preparation works (including the provision and use of Contractor’s Equipment and the supply of all construction materials required), installation, testing, precommissioning, commissioning, operations, maintenance, the provision of operations and maintenance manuals, training, etc... as the case may require.

**“Contractor’s Equipment”** means all facilities, equipment, machinery, tools, apparatus, appliances or things of every kind required in or for installation, completion and maintenance of Facilities that are to be provided by the Contractor, but does not include Plant, or other things intended to form or forming part of the Facilities.

**“Country of Origin”** means the countries and territories eligible under the rules of the Bank as further **elaborated in the PCC.**

**“Site”** means the land and other places upon which the Facilities are to be installed, and such other land or places as may be specified in the Contract as forming part of the Site.

**“Effective Date”** means the date of fulfillment of all conditions stated in Article 3 (Effective Date) of the Contract Agreement, from which the Time for Completion shall be counted.

**“Time for Completion”** means the time within which Completion of the Facilities as a whole (or of a part of the Facilities where a separate Time for Completion of such part has been prescribed) is

to be attained, as referred to in GCC Clause 8 and in accordance with the relevant provisions of the Contract.

**“Completion”** means that the Facilities (or a specific part thereof where specific parts are specified in the Contract) have been completed operationally and structurally and put in a tight and clean condition, that all work in respect of Precommissioning of the Facilities or such specific part thereof has been completed, and that the Facilities or specific part thereof are ready for Commissioning as provided in GCC Clause 24 (Completion) hereof.

**“Precommissioning”** means the testing, checking and other requirements specified in the Employer’s Requirements that are to be carried out by the Contractor in preparation for Commissioning as provided in GCC Clause 24 (Completion) hereof.

**“Commissioning”** means operation of the Facilities or any part thereof by the Contractor following Completion, which operation is to be carried out by the Contractor as provided in GCC Sub-Clause 25.1 (Commissioning) hereof, for the purpose of carrying out Guarantee Test(s).

**“Guarantee Test(s)”** means the test(s) specified in the Employer’s Requirements to be carried out to ascertain whether the Facilities or a specified part thereof is able to attain the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees, in accordance with the provisions of GCC Sub-Clause 25.2 (Guarantee Test) hereof.

**“Operational Acceptance”** means the acceptance by the Employer of the Facilities (or any part of the Facilities where the Contract provides for acceptance of the Facilities in parts), which certifies the Contractor’s fulfillment of the Contract in respect of Functional Guarantees of the Facilities (or the relevant part thereof) in accordance with the provisions of GCC Clause 28 (Functional Guarantees) hereof and shall include deemed acceptance in accordance with GCC Clause 25 (Commissioning and Operational Acceptance) hereof.

**“Defect Liability Period”** means the period of validity of the warranties given by the Contractor commencing at Completion of the Facilities or a part thereof, during which the Contractor is responsible for defects with respect to the Facilities (or the relevant part thereof) as provided in GCC Clause 27 (Defect Liability) hereof.

**“ES”** means Environmental and Social (including Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH)).

**“Sexual Exploitation and Abuse” “(SEA)”** means the following:

**Sexual Exploitation** is defined as any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to,



profiting monetarily, socially or politically from the sexual exploitation of another.

**Sexual Abuse** is defined as the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.

**“Sexual Harassment” “(SH)”** is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature by the Contractor’s Personnel with other Contractor’s Personnel or Employer’s Personnel;

**“Contractor’s Personnel”** means all personnel whom the Contractor utilizes in the execution of the Contract, including the staff, labor and other employees of the Contractor and each Subcontractor; and any other personnel assisting the Contractor in the execution of the Contract; and

**“Employer’s Personnel”** means all staff, labor and other employees of the Project Manager and of the Employer engaged in fulfilling the Employer’s obligations under the Contract; and any other personnel identified as Employer’s Personnel, by a notice from the Employer to the Contractor.

2. **Contract Documents**

2.1. Subject to Article 1.2 (Order of Precedence) of the Contract Agreement, all documents forming part of the Contract (and all parts thereof) are intended to be correlative, complementary and mutually explanatory. The Contract shall be read as a whole.

3. **Interpretation**

3.1. In the Contract, except where the context requires otherwise:

- (a) words indicating one gender include all genders;
- (b) words indicating the singular also include the plural and words indicating the plural also include the singular;
- (c) provisions including the word “agree,” “agreed,” or “agreement” require the agreement to be recorded in writing;
- (d) the word “tender” is synonymous with “Bid,” “tenderer,” with “Bidder,” and “tender documents” with “Bidding Document,” and
- (e) “written” or “in writing” means hand-written, type-written, printed or electronically made, and resulting in a permanent record.

The marginal words and other headings shall not be taken into consideration in the interpretation of these Conditions.

3.2. Incoterms

Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of Parties thereunder shall be as prescribed by *Incoterms*.

Incoterms means international rules for interpreting trade terms published by the International Chamber of Commerce (latest edition), 38 Cours Albert 1<sup>er</sup>, 75008 Paris, France.

3.3. Entire Agreement

Subject to GCC Sub-Clause 16.4 hereof, the Contract constitutes the entire agreement between the Employer and Contractor with respect to the subject matter of Contract and supersedes all communications, negotiations and agreements (whether written or oral) of Parties with respect thereto made prior to the date of Contract.

3.4. Amendment

No amendment or other variation of the Contract shall be effective unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each Party hereto.

3.5. Independent Contractor

The Contractor shall be an independent contractor performing the Contract. The Contract does not create any agency, partnership, joint venture or other joint relationship between the Parties hereto. Subject to the provisions of the Contract, the Contractor shall be solely responsible for the manner in which the Contract is performed. All employees, representatives or Subcontractors engaged by the Contractor in connection with the performance of the Contract shall be under the complete control of the Contractor and shall not be deemed to be employees of the Employer, and nothing contained in the Contract or in any subcontract awarded by the Contractor shall be construed to create any contractual relationship between any such employees, representatives or Subcontractors and the Employer.

3.6. Non-Waiver

3.6.1 Subject to GCC Sub-Clause 3.6.2 below, no relaxation, forbearance, delay or indulgence by either Party in enforcing any of the terms and conditions of the Contract or the granting of time by either Party to the other shall prejudice, affect or restrict the rights of that Party under the Contract, nor shall any waiver by either Party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

3.6.2 Any waiver of a Party's rights, powers or remedies under the Contract must be in writing, must be dated and signed by an authorized representative of the Party granting such waiver, and must specify the right and the extent to which it is being waived.

3.7. Severability

If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

3.8. Country of Origin

“Origin” means the place where the plant and component parts thereof are mined, grown, produced or manufactured, and from which the services are provided. Plant components are produced when, through manufacturing, processing, or substantial or major assembling of components, a commercially recognized product results that is substantially different in its basic characteristics or in purpose or utility from its components.

4. **Communications**
- 4.1. Wherever these Conditions provide for the giving or issuing of approvals, certificates, consents, determinations, notices, requests and discharges, these communications shall be:
- (a) in writing and delivered against receipt; and
  - (b) delivered, sent or transmitted to the address for the recipient’s communications as stated in the Contract Agreement.

When a certificate is issued to a Party, the certifier shall send a copy to the other Party. When a notice is issued to a Party, by the other Party or the Project Manager, a copy shall be sent to the Project Manager or the other Party, as the case may be.

5. **Law and Language**
- 5.1. The Contract shall be governed by and interpreted in accordance with laws of the country **specified in the PCC.**
- 5.2. The ruling language of the Contract shall be that **stated in the PCC.**
- 5.3. The language for communications shall be the ruling language unless otherwise **stated in the PCC.**

6. **Fraud and Corruption**
- 6.1. The Bank requires compliance with the Bank’s Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the WBG’s Sanctions Framework, as set forth in Appendix B to the GCC.
- 6.2. The Employer requires the Contractor to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the Bidding process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee.

**B. Subject Matter of Contract**

7. **Scope of Facilities**
- 7.1. Unless otherwise expressly limited in the Employer’s Requirements, the Contractor’s obligations cover the provision of all Plant and the performance of all Installation Services required for the design, and the manufacture (including procurement, quality assurance, construction, installation, associated civil works, Precommissioning and delivery) of the Plant, and the installation, completion and commissioning of the Facilities in accordance with the plans, procedures, specifications, drawings, codes and any other documents as specified in the Section, Employer’s Requirements. Such specifications include, but are

not limited to, the provision of supervision and engineering services; the supply of labor, materials, equipment, spare parts (as specified in GCC Sub-Clause 7.3 below) and accessories; Contractor's Equipment; construction utilities and supplies; temporary materials, structures and facilities; transportation (including, without limitation, unloading and hauling to, from and at the Site); and storage, except for those supplies, works and services that will be provided or performed by the Employer, as set forth in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer.

7.2. The Contractor shall, unless specifically excluded in the Contract, perform all such work and/or supply all such items and materials not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Completion of the Facilities as if such work and/or items and materials were expressly mentioned in the Contract.

7.3. In addition to the supply of Mandatory Spare Parts included in the Contract, the Contractor agrees to supply spare parts required for the operation and maintenance of the Facilities for the period **specified in the PCC** and the provisions, if any, **specified in the PCC**. However, the identity, specifications and quantities of such spare parts and the terms and conditions relating to the supply thereof are to be agreed between the Employer and the Contractor, and the price of such spare parts shall be that given in Price Schedule No. 6, which shall be added to the Contract Price. The price of such spare parts shall include the purchase price therefor and other costs and expenses (including the Contractor's fees) relating to the supply of spare parts.

**8. Time for Commencement and Completion**

8.1. The Contractor shall commence work on the Facilities within the period **specified in the PCC** and without prejudice to GCC Sub-Clauses 9.9 and 26.2 hereof, the Contractor shall thereafter proceed with the Facilities in accordance with the time schedule specified in the Appendix to the Contract Agreement titled Time Schedule.

8.2. The Contractor shall attain Completion of the Facilities or of a part where a separate time for Completion of such part is specified in the Contract, within the time **stated in the PCC** or within such extended time to which the Contractor shall be entitled under GCC Clause 40 hereof.

**9. Contractor's Responsibilities**

9.1. The Contractor shall design, manufacture including associated purchases and/or subcontracting, install and complete the Facilities in accordance with the Contract. When completed, the Facilities should be fit for the purposes for which they are intended as defined in the Contract.

- 9.2. The Contractor confirms that it has entered into this Contract on the basis of a proper examination of the data relating to the Facilities including any data as to boring tests provided by the Employer, and on the basis of information that the Contractor could have obtained from a visual inspection of the Site if access thereto was available and of other data readily available to it relating to the Facilities as of the date twenty-eight (28) days prior to Bid submission. The Contractor acknowledges that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Facilities.
- 9.3. The Contractor shall acquire and pay for all permits, approvals and/or licenses from all local, state or national government authorities or public service undertakings in the country where the Site is located which such authorities or undertakings require the Contractor to obtain in its name and which are necessary for the performance of the Contract, including, without limitation, visas for the Contractor's and Subcontractor's personnel and entry permits for all imported Contractor's Equipment. The Contractor shall acquire all other permits, approvals and/or licenses that are not the responsibility of the Employer under GCC Sub-Clause 10.3 hereof and that are necessary for the performance of the Contract.
- 9.4. The Contractor shall comply with all laws in force in the country where the Facilities are to be implemented. The laws will include all local, state, national or other laws that affect the performance of the Contract and bind upon the Contractor. The Contractor shall indemnify and hold harmless the Employer from and against any and all liabilities, damages, claims, fines, penalties and expenses of whatever nature arising or resulting from the violation of such laws by the Contractor or its personnel, including the Subcontractors and their personnel, but without prejudice to GCC Sub-Clause 10.1 hereof.
- 9.5. Any Plant and Installation Services that will be incorporated in or be required for the Facilities and other supplies shall have their origin as specified under GCC Clause 1 (Country of Origin). Any subcontractors retained by the Contractor shall be from a country as specified in GCC Clause 1 (Country of Origin).
- 9.6. If the Contractor is a joint venture, or association (JV) of two or more persons, all such persons shall be jointly and severally bound to the Employer for the fulfillment of the provisions of the Contract, and shall designate one of such persons to act as a leader with authority to bind the JV. The composition or the constitution of the JV shall not be altered without the prior consent of the Employer.

9.7. Pursuant to paragraph 2.2 e. of Appendix B to the General Conditions the Contractor shall permit and shall cause its agents (where declared or not), subcontractors, subconsultants, service providers, suppliers, and personnel, to permit, the Bank and/or persons appointed by the Bank to inspect the site and/or the accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have such accounts, records and other documents audited by auditors appointed by the Bank. The Contractor's and its Subcontractors' and subconsultants' attention is drawn to Sub-Clause 6.1 (Fraud and Corruption) which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank's prevailing sanctions procedures).

9.8. The Contractor shall conform to the sustainable procurement contractual provisions, if and as specified in the PCC.

9.9. Contractor's Environmental and Social Management Plan (C-ESMP)

The Contractor shall not carry out mobilization to Site unless the Project Manager gives approval, an approval that shall not be unreasonably delayed, to the measures the Contractor proposes to address environmental and social risks and impacts including the code of conduct, in accordance with GCC Sub-Clause 22.4.

The Contractor shall submit, to the Project Manager for Review, any additional Management Strategies and Implementation Plans as are necessary to manage the ES risks and impacts of the Facilities. These Management Strategies and Implementation Plans collectively comprise the Contractor's Environmental and Social Management Plan (C-ESMP).

The Contractor shall review the C-ESMP, periodically (but not less than every six (6) months), and update it as required to ensure that it contains measures appropriate to the Facilities. The updated C-ESMP shall be submitted to the Project Manager for its approval.

9.10. Training of Contractor's Personnel

The Contractor shall provide appropriate training to relevant Contractor's Personnel on ES aspects of the Contract, including appropriate sensitization on prohibition of SEA and health and safety training referred to in GCC Sub-Clause 22.2.7.

As stated in the Employer's Requirements or as instructed by the Project Manager, the Contractor shall also allow appropriate opportunities for the relevant Contractor's Personnel to be

trained on ES aspects of the Contract by the Employer's personnel and/or other personnel assigned by the Employer. The Contractor shall provide training on SEA and SH, including its prevention, to any of its personnel who has a role to supervise other Contractor's Personnel.

**10. Employer's Responsibilities**

- 10.1. All information and/or data to be supplied by the Employer as described in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, shall be deemed to be accurate, except when the Employer expressly states otherwise.
- 10.2. The Employer shall be responsible for acquiring and providing legal and physical possession of the Site and access thereto, and for providing possession of and access to all other areas reasonably required for the proper execution of the Contract, including all requisite rights of way, as specified in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer. The Employer shall give full possession of and accord all rights of access thereto on or before the date(s) specified in that Appendix.
- 10.3. The Employer shall acquire and pay for all permits, approvals and/or licenses from all local, state or national government authorities or public service undertakings in the country where the Site is located which (a) such authorities or undertakings require the Employer to obtain in the Employer's name, (b) are necessary for the execution of the Contract, including those required for the performance by both the Contractor and the Employer of their respective obligations under the Contract, and (c) are specified in the Appendix (Scope of Works and Supply by the Employer).
- 10.4. If requested by the Contractor, the Employer shall use its best endeavors to assist the Contractor in obtaining in a timely and expeditious manner all permits, approvals and/or licenses necessary for the execution of the Contract from all local, state or national government authorities or public service undertakings that such authorities or undertakings require the Contractor or Subcontractors or the personnel of the Contractor or Subcontractors, as the case may be, to obtain.
- 10.5. Unless otherwise specified in the Contract or agreed upon by the Employer and the Contractor, the Employer shall provide sufficient, properly qualified operating and maintenance personnel; shall supply and make available all raw materials, utilities, lubricants, chemicals, catalysts, other materials and facilities; and shall perform all work and services of whatsoever nature, including those required by the Contractor to properly

carry out Precommissioning, Commissioning and Guarantee Tests, all in accordance with the provisions of the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, at or before the time specified in the program furnished by the Contractor under GCC Sub-Clause 18.2 hereof and in the manner thereupon specified or as otherwise agreed upon by the Employer and the Contractor.

- 10.6. The Employer shall be responsible for the continued operation of the Facilities after Completion, in accordance with GCC Sub-Clause 24.8, and shall be responsible for facilitating the Guarantee Test(s) for the Facilities, in accordance with GCC Sub-Clause 25.2.
- 10.7. All costs and expenses involved in the performance of the obligations under this GCC Clause 10 shall be the responsibility of the Employer, save those to be incurred by the Contractor with respect to the performance of Guarantee Tests, in accordance with GCC Sub-Clause 25.2.
- 10.8. In the event that the Employer shall be in breach of any of his obligations under this Clause, the additional cost incurred by the Contractor in consequence thereof shall be determined by the Project Manager and added to the Contract Price.

**C. Payment**

**11. Contract Price**

- 11.1. The Contract Price shall be as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.
- 11.2. Unless an adjustment clause is **provided for in the PCC**, the Contract Price shall be a firm lump sum not subject to any alteration, except in the event of a Change in the Facilities or as otherwise provided in the Contract.
- 11.3. Subject to GCC Sub-Clauses 9.2, 10.1 and 35 hereof, the Contractor shall be deemed to have satisfied itself as to the correctness and sufficiency of the Contract Price, which shall, except as otherwise provided for in the Contract, cover all its obligations under the Contract.

**12. Terms of Payment**

- 12.1. The Contract Price shall be paid as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement and in the Appendix to the Contract Agreement titled Terms and Procedures of Payment, which also outlines the procedures to be followed in making application for and processing payments.
- 12.2. No payment made by the Employer herein shall be deemed to constitute acceptance by the Employer of the Facilities or any part(s) thereof.
- 12.3. In the event that the Employer fails to make any payment by its respective due date or within the period set forth in the Contract,



the Employer shall pay to the Contractor interest on the amount of such delayed payment at the rate(s) shown in the Appendix to the Contract Agreement titled Terms and Procedures of Payment, for the period of delay until payment has been made in full, whether before or after judgment or arbitrage award.

12.4. The currency or currencies in which payments are made to the Contractor under this Contract shall be specified in the Appendix to the Contract Agreement titled Terms and Procedures of Payment, subject to the general principle that payments will be made in the currency or currencies in which the Contract Price has been stated in the Contractor's Bid.

### 13. Securities

#### 13.1. Issuance of Securities

The Contractor shall provide the securities specified below in favor of the Employer at the times, and in the amount, manner and form specified below.

#### 13.2. Advance Payment Security

13.2.1 The Contractor shall, within twenty-eight (28) days of the notification of contract award, provide a security in an amount equal to the advance payment calculated in accordance with the Appendix to the Contract Agreement titled Terms and Procedures of Payment, and in the same currency or currencies.

13.2.2 The security shall be in the form provided in the Bidding documents or in another form acceptable to the Employer. The amount of the security shall be reduced in proportion to the value of the Facilities executed by and paid to the Contractor from time to time, and shall automatically become null and void when the full amount of the advance payment has been recovered by the Employer. The security shall be returned to the Contractor immediately after its expiration.

#### 13.3. Performance Security

13.3.1 The Contractor shall, within twenty-eight (28) days of the notification of contract award, provide a security for the due performance of the Contract in the amount **specified in the PCC.**

13.3.2 The Performance Security shall be denominated in the currency or currencies of the Contract, or in a freely convertible currency acceptable to the Employer, and shall be in the form provided in Section X, Contract Forms, corresponding to the type of bank guarantee stipulated by the Employer in the PCC, or in another form acceptable to the Employer.

13.3.3 Unless otherwise specified in the PCC, the security shall be reduced by half on the date of the Operational

Acceptance. The Security shall become null and void, or shall be reduced pro rata to the Contract Price of a part of the Facilities for which a separate Time for Completion is provided, five hundred and forty (540) days after Completion of the Facilities or three hundred and sixty five (365) days after Operational Acceptance of the Facilities, whichever occurs first; provided, however, that if the Defects Liability Period has been extended on any part of the Facilities pursuant to GCC Sub-Clause 27.8 hereof, the Contractor shall issue an additional security in an amount proportionate to the Contract Price of that part. The security shall be returned to the Contractor immediately after its expiration, provided, however, that if the Contractor, pursuant to GCC Sub-Clause 27.10, is liable for an extended defect liability obligation, the Performance Security shall be extended for the period specified in the PCC pursuant to GCC Sub-Clause 27.10 and up to the amount specified in the PCC.

13.3.4 The Employer shall not make a claim under the Performance Security, except for amounts to which the Employer is entitled under the Contract. The Employer shall indemnify and hold the Contractor harmless against and from all damages, losses and expenses (including legal fees and expenses) resulting from a claim under the Performance Security to the extent to which the Employer was not entitled to make the claim.

**14. Taxes and Duties**

14.1. Except as otherwise specifically provided in the Contract, the Contractor shall bear and pay all taxes, duties, levies and charges assessed on the Contractor, its Subcontractors or their employees by all municipal, state or national government authorities in connection with the Facilities in and outside of the country where the Site is located.

14.2. Notwithstanding GCC Sub-Clause 14.1 above, the Employer shall bear and promptly pay

- (a) all customs and import duties for the Plant specified in Price Schedule No. 1; and
- (b) other domestic taxes such as, sales tax and value added tax (VAT) on the Plant specified in Price Schedules No. 1 and No. 2 and that is to be incorporated into the Facilities, and on the finished goods, imposed by the law of the country where the Site is located.

14.3. If any tax exemptions, reductions, allowances or privileges may be available to the Contractor in the country where the Site is located, the Employer shall use its best endeavors to enable the

Contractor to benefit from any such tax savings to the maximum allowable extent.

- 14.4. For the purpose of the Contract, it is agreed that the Contract Price specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement is based on the taxes, duties, levies and charges prevailing at the date twenty-eight (28) days prior to the date of Bid submission in the country where the Site is located (hereinafter called "Tax" in this GCC Sub-Clause 14.4). If any rates of Tax are increased or decreased, a new Tax is introduced, an existing Tax is abolished, or any change in interpretation or application of any Tax occurs in the course of the performance of Contract, which was or will be assessed on the Contractor, Subcontractors or their employees in connection with performance of the Contract, an equitable adjustment of the Contract Price shall be made to fully take into account any such change by addition to the Contract Price or deduction therefrom, as the case may be, in accordance with GCC Clause 36 hereof.

#### **D. Intellectual Property**

##### **15. License/Use of Technical Information**

- 15.1. For the operation and maintenance of the Plant, the Contractor hereby grants a non-exclusive and non-transferable license (without the right to sub-license) to the Employer under the patents, utility models or other industrial property rights owned by the Contractor or by a third Party from whom the Contractor has received the right to grant licenses thereunder, and shall also grant to the Employer a non-exclusive and non-transferable right (without the right to sub-license) to use the know-how and other technical information disclosed to the Employer under the Contract. Nothing contained herein shall be construed as transferring ownership of any patent, utility model, trademark, design, copyright, know-how or other intellectual property right from the Contractor or any third Party to the Employer.

- 15.2. The copyright in all drawings, documents and other materials containing data and information furnished to the Employer by the Contractor herein shall remain vested in the Contractor or, if they are furnished to the Employer directly or through the Contractor by any third Party, including suppliers of materials, the copyright in such materials shall remain vested in such third Party.

##### **16. Confidential Information**

- 16.1. The Employer and the Contractor shall keep confidential and shall not, without the written consent of the other Party hereto, divulge to any third Party any documents, data or other information furnished directly or indirectly by the other Party hereto in connection with the Contract, whether such

information has been furnished prior to, during or following termination of the Contract. Notwithstanding the above, the Contractor may furnish to its Subcontractor(s) such documents, data and other information it receives from the Employer to the extent required for the Subcontractor(s) to perform its work under the Contract, in which event the Contractor shall obtain from such Subcontractor(s) an undertaking of confidentiality similar to that imposed on the Contractor under this GCC Clause 16.

- 16.2. The Employer shall not use such documents, data and other information received from the Contractor for any purpose other than the operation and maintenance of the Facilities. Similarly, the Contractor shall not use such documents, data and other information received from the Employer for any purpose other than the design, procurement of Plant, construction or such other work and services as are required for the performance of the Contract.
- 16.3. The obligation of a Party under GCC Sub-Clauses 16.1 and 16.2 above, however, shall not apply to that information which
  - (a) now or hereafter enters the public domain through no fault of that Party
  - (b) can be proven to have been possessed by that Party at the time of disclosure and which was not previously obtained, directly or indirectly, from the other Party hereto
  - (c) otherwise lawfully becomes available to that Party from a third Party that has no obligation of confidentiality
  - (d) is being provided to the Bank.
- 16.4. The above provisions of this GCC Clause 16 shall not in any way modify any undertaking of confidentiality given by either of the Parties hereto prior to the date of the Contract in respect of the Facilities or any part thereof.
- 16.5. The provisions of this GCC Clause 16 shall survive termination, for whatever reason, of the Contract.

#### **E. Execution of the Facilities**

##### **17. Representatives**    17.1. Project Manager

If the Project Manager is not named in the Contract, then within fourteen (14) days of the Effective Date, the Employer shall appoint and notify the Contractor in writing of the name of the Project Manager. The Employer may from time to time appoint some other person as the Project Manager in place of the person previously so appointed, and shall give a notice of the name of such other person to the Contractor without delay. No such appointment shall be made at such a time or in such a

manner as to impede the progress of work on the Facilities. Such appointment shall only take effect upon receipt of such notice by the Contractor. The Project Manager shall represent and act for the Employer at all times during the performance of the Contract. All notices, instructions, orders, certificates, approvals and all other communications under the Contract shall be given by the Project Manager, except as herein otherwise provided. All notices, instructions, information and other communications given by the Contractor to the Employer under the Contract shall be given to the Project Manager, except as herein otherwise provided.

17.2. Contractor's Representative & Construction Manager

17.2.1 If the Contractor's Representative is not named in the Contract, then within fourteen (14) days of the Effective Date, the Contractor shall appoint the Contractor's Representative and shall request the Employer in writing to approve the person so appointed. If the Employer makes no objection to the appointment within fourteen (14) days, the Contractor's Representative shall be deemed to have been approved. If the Employer objects to the appointment within fourteen (14) days giving the reason therefor, then the Contractor shall appoint a replacement within fourteen (14) days of such objection, and the foregoing provisions of this GCC Sub-Clause 17.2.1 shall apply thereto.

17.2.2 The Contractor's Representative shall represent and act for the Contractor at all times during the performance of the Contract and shall give to the Project Manager all the Contractor's notices, instructions, information and all other communications under the Contract. All notices, instructions, information and all other communications given by the Employer or the Project Manager to the Contractor under the Contract shall be given to the Contractor's Representative or, in its absence, its deputy, except as herein otherwise provided. The Contractor shall not revoke the appointment of the Contractor's Representative without the Employer's prior written consent, which shall not be unreasonably withheld. If the Employer consents thereto, the Contractor shall appoint some other

- person as the Contractor's Representative, pursuant to the procedure set out in GCC Sub-Clause 17.2.1.
- 17.2.3 The Contractor's Representative may, subject to the approval of the Employer which shall not be unreasonably withheld, at any time delegate to any person any of the powers, functions and authorities vested in him or her. Any such delegation may be revoked at any time. Any such delegation or revocation shall be subject to a prior notice signed by the Contractor's Representative, and shall specify the powers, functions and authorities thereby delegated or revoked. No such delegation or revocation shall take effect unless and until a copy thereof has been delivered to the Employer and the Project Manager.
- Any act or exercise by any person of powers, functions and authorities so delegated to him or her in accordance with this GCC Sub-Clause 17.2.3 shall be deemed to be an act or exercise by the Contractor's Representative.
- 17.2.4 From the commencement of installation of the Facilities at the Site until Completion, the Contractor's Representative shall appoint a suitable person as the Construction Manager. The Construction Manager shall supervise all work done at the Site by the Contractor and shall be present at the Site throughout normal working hours except when on leave, sick or absent for reasons connected with the proper performance of the Contract. Whenever the Construction Manager is absent from the Site, a suitable person shall be appointed to act as the Construction Manager's deputy.
- 17.2.5 The Project Manager may require the Contractor to remove (or cause to be removed) the Contractor's Representative or any other person employed by the Contractor in the execution of the Contract, who:
- (a) persists in any misconduct or lack of care;
  - (b) carries out duties incompetently or negligently;
  - (c) fails to comply with any provision of the Contract;
  - (d) persists in any conduct which is prejudicial to safety, health, or the protection of the environment;

- (e) based on reasonable evidence, is determined to have engaged in Fraud and Corruption during the execution of the Contract;
- (f) has been recruited from the Employer's Personnel in breach of GCC Sub-Clause 22.2.2;
- (g) undertakes behavior which breaches the Code of Conduct (ES), as applicable;

If appropriate, the Contractor shall then promptly appoint (or cause to be appointed) a suitable replacement with equivalent skills and experience. Notwithstanding any requirement from the Project Manager to remove or cause to remove any person, the Contractor shall take immediate action as appropriate in response to any violation of (a) through (g) above. Such immediate action shall include removing (or causing to be removed) from the Site or other places where the Contract is being executed, any Contractor's Personnel who engages in (a), (b), (c), (d), (e) or (g) above or has been recruited as stated in (f) above.

- 17.2.6 If any representative or person employed by the Contractor is removed in accordance with GCC Sub-Clause 17.2.5, the Contractor shall, where required, promptly appoint a suitable replacement with equivalent skills and experience.

## 18. Work Program

### 18.1. Contractor's Organization

The Contractor shall supply to the Employer and the Project Manager a chart showing the proposed organization to be established by the Contractor for carrying out work on the Facilities within twenty-one (21) days of the Effective Date. The chart shall include the identities of the key personnel and the curricula vitae of such key personnel to be employed shall be supplied together with the chart. The Contractor shall promptly inform the Employer and the Project Manager in writing of any revision or alteration of such an organization chart.

### 18.2. Program of Performance

Within twenty-eight (28) days after the Effective Date, the Contractor shall submit to the Project Manager a detailed program of performance of the Contract, made in a form acceptable to the Project Manager and showing the sequence in which it proposes to design, manufacture, transport, assemble, install and precommission the Facilities, as well as the date by which the Contractor reasonably requires that the Employer shall have fulfilled

its obligations under the Contract so as to enable the Contractor to execute the Contract in accordance with the program and to achieve Completion, Commissioning and Acceptance of the Facilities in accordance with the Contract. The program so submitted by the Contractor shall accord with the Time Schedule included in the Appendix to the Contract Agreement titled Time Schedule, and any other dates and periods specified in the Contract. The Contractor shall update and revise the program as and when appropriate or when required by the Project Manager, but without modification in the Times for Completion specified in the PCC pursuant to Sub-Clause 8.2 and any extension granted in accordance with GCC Clause 40, and shall submit all such revisions to the Project Manager.

### 18.3. Progress Report

The Contractor shall monitor progress of all the activities specified in the program referred to in GCC Sub-Clause 18.2 above, and supply a progress report to the Project Manager every month.

The progress report shall be in a form acceptable to the Project Manager and shall indicate: (a) percentage completion achieved compared with the planned percentage completion for each activity; and (b) where any activity is behind the program, giving comments and likely consequences and stating the corrective action being taken.

Unless otherwise stated in the Specifications, each progress report shall include the Environmental and Social (ES) metrics set out in Appendix C.

In addition to the progress reports, the Contractor shall inform the Project Manager immediately of any allegation, incident or accident in the Site, which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Employer's Personnel or Contractor's Personnel. This includes, but is not limited to, any incident or accident causing fatality or serious injury; significant adverse effects or damage to private property; or any allegation of SEA and/or SH. In case of SEA and/or SH, while maintaining confidentiality as appropriate, the type of allegation (sexual exploitation, sexual abuse or sexual harassment), gender and age of the person who experienced the alleged incident should be included in the information.



The Contractor, upon becoming aware of the allegation, incident or accident, shall also immediately inform the Project Manager of any such incident or accident on the Subcontractors' or suppliers' premises relating to the Facilities which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Employer's Personnel, or Contractor's, its Subcontractors' and suppliers' personnel. The notification shall provide sufficient detail regarding such incidents or accidents. The Contractor shall provide full details of such incidents or accidents to the Project Manager within the timeframe agreed with the Project Manager.

The Contractor shall require its Subcontractors and suppliers to immediately notify the Contractor of any incidents or accidents referred to in this Subclause.

18.4. Progress of Performance

If at any time the Contractor's actual progress falls behind the program referred to in GCC Sub-Clause 18.2, or it becomes apparent that it will so fall behind, the Contractor shall, at the request of the Employer or the Project Manager, prepare and submit to the Project Manager a revised program, taking into account the prevailing circumstances, and shall notify the Project Manager of the steps being taken to expedite progress so as to attain Completion of the Facilities within the Time for Completion under GCC Sub-Clause 8.2, any extension thereof entitled under GCC Sub-Clause 40.1, or any extended period as may otherwise be agreed upon between the Employer and the Contractor.

18.5. Procedures

The Contract shall be executed in accordance with the Contract Documents including the procedures given in the Forms and Procedures of the Employer's Requirements. The Contractor may execute the Contract in accordance with its own standard project execution plans and procedures to the extent that they do not conflict with the provisions contained in the Contract.

**19. Subcontracting**

19.1. The Appendix to the Contract Agreement titled List of Major Items of Plant and Installation Services and List of Approved Subcontractors, specifies major items of supply or services and a list of approved Subcontractors against each item, including manufacturers. Insofar as no Subcontractors are listed against any such item, the Contractor shall prepare a list of Subcontractors for such item for inclusion in such list. The Contractor may from time to time propose any addition

to or deletion from any such list. The Contractor shall submit any such list or any modification thereto to the Employer for its approval in sufficient time so as not to impede the progress of work on the Facilities. Such approval by the Employer for any of the Subcontractors shall not relieve the Contractor from any of its obligations, duties or responsibilities under the Contract.

- 19.2. The Contractor shall select and employ its Subcontractors for such major items from those listed in the lists referred to in GCC Sub-Clause 19.1.
- 19.3. For items or parts of the Facilities not specified in the Appendix to the Contract Agreement titled List of Major Items of Plant and Installation Services and List of Approved Subcontractors, the Contractor may employ such Subcontractors as it may select, at its discretion.
- 19.4. Each sub-contract shall include provisions which would entitle the Employer to require the sub-contract to be assigned to the Employer under GCC 19.5 (if and when applicable), or in event of termination by the Employer under GCC 42.2.
- 19.5. If a Subcontractor's obligations extend beyond the expiry date of the relevant Defects Liability Period and the Project Manager, prior to that date, instructs the Contractor to assign the benefits of such obligations to the Employer, then the Contractor shall do so.
- 19.6. The Contractor shall require that its Subcontractors execute the Facilities in accordance with the Contract, including complying with the relevant ES requirements and the obligations set out in GCC Sub-Clause 22.4.

## **20. Design and Engineering**

### **20.1. Specifications and Drawings**

20.1.1 The Contractor shall execute the basic and detailed design and the engineering work in compliance with the provisions of the Contract, or where not so specified, in accordance with good engineering practice.

The Contractor shall be responsible for any discrepancies, errors or omissions in the specifications, drawings and other technical documents that it has prepared, whether such specifications, drawings and other documents have been approved by the Project Manager or not, provided that such discrepancies, errors or omissions are not because of inaccurate information furnished in writing to the Contractor by or on behalf of the Employer.

20.1.2 The Contractor shall be entitled to disclaim responsibility for any design, data, drawing, specification or other document, or any modification thereof provided or designated by or on behalf of the Employer, by giving a notice of such disclaimer to the Project Manager.

20.2. Codes and Standards

Wherever references are made in the Contract to codes and standards in accordance with which the Contract shall be executed, the edition or the revised version of such codes and standards current at the date twenty-eight (28) days prior to date of Bid submission shall apply unless otherwise specified. During Contract execution, any changes in such codes and standards shall be applied subject to approval by the Employer and shall be treated in accordance with GCC Clause 39.

20.3. Approval/Review of Technical Documents by Project Manager

20.3.1 The Contractor shall prepare or cause its Subcontractors to prepare, and furnish to the Project Manager the documents listed in the Appendix to the Contract Agreement titled List of Documents for Approval or Review, for its approval or review as specified and in accordance with the requirements of GCC Sub-Clause 18.2 (Program of Performance).

Any part of the Facilities covered by or related to the documents to be approved by the Project Manager shall be executed only after the Project Manager's approval thereof.

GCC Sub-Clauses 20.3.2 through 20.3.7 shall apply to those documents requiring the Project Manager's approval, but not to those furnished to the Project Manager for its review only.

20.3.2 Within fourteen (14) days after receipt by the Project Manager of any document requiring the Project Manager's approval in accordance with GCC Sub-Clause 20.3.1, the Project Manager shall either return one copy thereof to the Contractor with its approval endorsed thereon or shall notify the Contractor in writing of its disapproval thereof and the reasons therefor and the modifications that the Project Manager proposes.

If the Project Manager fails to take such action within the said fourteen (14) days, then the said

- document shall be deemed to have been approved by the Project Manager.
- 20.3.3 The Project Manager shall not disapprove any document, except on the grounds that the document does not comply with the Contract or that it is contrary to good engineering practice.
- 20.3.4 If the Project Manager disapproves the document, the Contractor shall modify the document and resubmit it for the Project Manager's approval in accordance with GCC Sub-Clause 20.3.2. If the Project Manager approves the document subject to modification(s), the Contractor shall make the required modification(s), whereupon the document shall be deemed to have been approved.
- 20.3.5 If any dispute or difference occurs between the Employer and the Contractor in connection with or arising out of the disapproval by the Project Manager of any document and/or any modification(s) thereto that cannot be settled between the Parties within a reasonable period, then such dispute or difference may be referred to a Dispute Board for determination in accordance with GCC Sub-Clause 46.1 hereof. If such dispute or difference is referred to a Dispute Board, the Project Manager shall give instructions as to whether and if so, how, performance of the Contract is to proceed. The Contractor shall proceed with the Contract in accordance with the Project Manager's instructions, provided that if the Dispute Board upholds the Contractor's view on the dispute and if the Employer has not given notice under GCC Sub-Clause 46.3 hereof, then the Contractor shall be reimbursed by the Employer for any additional costs incurred by reason of such instructions and shall be relieved of such responsibility or liability in connection with the dispute and the execution of the instructions as the Dispute Board shall decide, and the Time for Completion shall be extended accordingly.
- 20.3.6 The Project Manager's approval, with or without modification of the document furnished by the Contractor, shall not relieve the Contractor of any responsibility or liability imposed upon it by any provisions of the Contract except to the extent that

any subsequent failure results from modifications required by the Project Manager.

- 20.3.7 The Contractor shall not depart from any approved document unless the Contractor has first submitted to the Project Manager an amended document and obtained the Project Manager's approval thereof, pursuant to the provisions of this GCC Sub-Clause 20.3.

If the Project Manager requests any change in any already approved document and/or in any document based thereon, the provisions of GCC Clause 39 shall apply to such request.

## 21. Procurement

### 21.1. Plant

Subject to GCC Sub-Clause 14.2, the Contractor shall procure and transport all Plant in an expeditious and orderly manner to the Site.

### 21.2. Employer-Supplied Plant

If the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, provides that the Employer shall furnish any specific items to the Contractor, the following provisions shall apply:

21.2.1 The Employer shall, at its own risk and expense, transport each item to the place on or near the Site as agreed upon by the Parties and make such item available to the Contractor at the time specified in the program furnished by the Contractor, pursuant to GCC Sub-Clause 18.2, unless otherwise mutually agreed.

21.2.2 Upon receipt of such item, the Contractor shall inspect the same visually and notify the Project Manager of any detected shortage, defect or default. The Employer shall immediately remedy any shortage, defect or default, or the Contractor shall, if practicable and possible, at the request of the Employer, remedy such shortage, defect or default at the Employer's cost and expense. After inspection, such item shall fall under the care, custody and control of the Contractor. The provision of this GCC Sub-Clause 21.2.2 shall apply to any item supplied to remedy any such shortage or default or to substitute for any defective item, or shall apply to defective items that have been repaired.

21.2.3 The foregoing responsibilities of the Contractor and its obligations of care, custody and control shall not

relieve the Employer of liability for any undetected shortage, defect or default, nor place the Contractor under any liability for any such shortage, defect or default whether under GCC Clause 27 or under any other provision of Contract.

21.3. Transportation

21.3.1 The Contractor shall at its own risk and expense transport all the materials and the Contractor's Equipment to the Site by the mode of transport that the Contractor judges most suitable under all the circumstances.

21.3.2 Unless otherwise provided in the Contract, the Contractor shall be entitled to select any safe mode of transport operated by any person to carry the materials and the Contractor's Equipment.

21.3.3 Upon dispatch of each shipment of materials and the Contractor's Equipment, the Contractor shall notify the Employer by telex, cable, facsimile or electronic means, of the description of the materials and of the Contractor's Equipment, the point and means of dispatch, and the estimated time and point of arrival in the country where the Site is located, if applicable, and at the Site. The Contractor shall furnish the Employer with relevant shipping documents to be agreed upon between the Parties.

21.3.4 The Contractor shall be responsible for obtaining, if necessary, approvals from the authorities for transportation of the materials and the Contractor's Equipment to the Site. The Employer shall use its best endeavors in a timely and expeditious manner to assist the Contractor in obtaining such approvals, if requested by the Contractor. The Contractor shall indemnify and hold harmless the Employer from and against any claim for damage to roads, bridges or any other traffic facilities that may be caused by the transport of the materials and the Contractor's Equipment to the Site.

21.4. Customs Clearance

The Contractor shall, at its own expense, handle all imported materials and Contractor's Equipment at the point(s) of import and shall handle any formalities for customs clearance, subject to the Employer's obligations under GCC Sub-Clause 14.2, provided that if applicable laws or regulations require any application or act to be made by

or in the name of the Employer, the Employer shall take all necessary steps to comply with such laws or regulations. In the event of delays in customs clearance that are not the fault of the Contractor, the Contractor shall be entitled to an extension in the Time for Completion, pursuant to GCC Clause 40.

## 22. Installation

### 22.1. Setting Out/Supervision

22.1.1 Bench Mark: The Contractor shall be responsible for the true and proper setting-out of the Facilities in relation to bench marks, reference marks and lines provided to it in writing by or on behalf of the Employer.

If, at any time during the progress of installation of the Facilities, any error shall appear in the position, level or alignment of the Facilities, the Contractor shall forthwith notify the Project Manager of such error and, at its own expense, immediately rectify such error to the reasonable satisfaction of the Project Manager. If such error is based on incorrect data provided in writing by or on behalf of the Employer, the expense of rectifying the same shall be borne by the Employer.

22.1.2 Contractor's Supervision: The Contractor shall give or provide all necessary superintendence during the installation of the Facilities, and the Construction Manager or its deputy shall be constantly on the Site to provide full-time superintendence of the installation. The Contractor shall provide and employ only technical personnel who are skilled and experienced in their respective callings and supervisory staff who are competent to adequately supervise the work at hand.

### 22.2. Labor:

#### 22.2.1 Engagement of Staff and Labor

Except as otherwise stated in the Employer's Requirements, the Contractor shall make arrangements for the engagement of all staff and labor, local or otherwise, and for their payment, housing, feeding and transport.

The Contractor shall provide and employ on the Site in the installation of the Facilities such skilled, semi-skilled and unskilled labor as is necessary for the proper and timely execution of the Contract. The Contractor is encouraged to use local labor that has the necessary skills.

The Contractor shall be responsible for obtaining all necessary permit(s) and/or visa(s) from the appropriate authorities for the entry of all labor and personnel to be employed on the Site into the country where the Site is located. The Employer will, if requested by the Contractor, use his best endeavors in a timely and expeditious manner to assist the Contractor in obtaining any local, state, national or government permission required for bringing in the Contractor's Personnel.

The Contractor shall at its own expense provide the means of repatriation to all of its Contractor's Personnel employed for the execution of the Contract at the Site or other places where the Installation Services are carried out to the place where they were recruited or to their domicile. It shall also provide suitable temporary maintenance of all such persons from the cessation of their employment on the Contract to the date programmed for their departure. In the event that the Contractor defaults in providing such means of transportation and temporary maintenance, the Employer may provide the same to such personnel and recover the cost of doing so from the Contractor.

22.2.2 Persons in the Service of Employer

The Contractor shall not recruit, or attempt to recruit, staff and labor from amongst the Employer's Personnel.

22.2.3 Labor Laws

The Contractor shall comply with all the relevant labor laws applicable to the Contractor's Personnel, including laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights.

The Contractor shall at all times during the progress of the Contract use its best endeavors to prevent any unlawful, riotous or disorderly conduct or behavior by or amongst its employees and the labor of its Subcontractors.

The Contractor shall, in all dealings with its labor and the labor of its Subcontractors currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious



or other customs and all local laws and regulations pertaining to the employment of labor.

22.2.4 Rates of Wages and Conditions of Labor

The Contractor shall pay rates of wages, and observe conditions of labor, which are not lower than those established for the trade or industry where the work is carried out. If no established rates or conditions are applicable, the Contractor shall pay rates of wages and observe conditions which are not lower than the general level of wages and conditions observed locally by employers whose trade or industry is similar to that of the Contractor.

The Contractor shall inform the Contractor's Personnel about their liability to pay personal income taxes in the Country in respect of such of their salaries, wages, allowances and any benefits as are subject to tax under the Laws of the Country for the time being in force, and the Contractor shall perform such duties in regard to such deductions thereof as may be imposed on him by such laws.

22.2.5 Working Hours

No work shall be carried out on the Site on locally recognized days of rest, or outside the normal working hours stated in the PCC, unless:

- (a) otherwise stated in the Contract,
- (b) the Project Manager gives consent, or
- (c) the work is unavoidable, or necessary for the protection of life or property or for the safety of the Facilities, in which case the Contractor shall immediately advise the Project Manager.

If and when the Contractor considers it necessary to carry out work at night or on public holidays so as to meet the Time for Completion and requests the Project Manager's consent thereto, the Project Manager shall not unreasonably withhold such consent.

This Sub-Clause shall not apply to any work which is customarily carried out by rotary or double-shifts.

22.2.6 Facilities for Staff and Labor

Except as otherwise stated in the Specification, the Contractor shall provide and maintain all necessary accommodation and welfare facilities for the Contractor's Personnel employed for the execution of the Contract at the Site or other places where the

Installation Services are carried out. The Contractor shall also provide facilities for the Employer's Personnel as stated in the Employer's Requirements.

The Contractor shall not permit any of the Contractor's Personnel to maintain any temporary or permanent living quarters within the structures forming part of the Facilities.

#### 22.2.7 Health and Safety

The Contractor shall at all times take all reasonable precautions to maintain the health and safety of the Contractor's Personnel employed for the execution of Installation Services at the Site (or other places in the country where the Site is located).

Subject to GCC Sub-Clause 9.9, the Contractor shall submit to the Engineer for its approval a health and safety manual which has been specifically prepared for the Contract.

The health and safety manual shall be in addition to any other similar document required under applicable health and safety regulations and Laws.

The health and safety manual shall set out all the health and safety requirements under the Contract,

(a) which shall include at a minimum:

- (i) the procedures to establish and maintain a safe working environment without risk to health at all workplaces, machinery, equipment and processes under the control of the Contractor, including control measures for chemical, physical and biological substances and agents;
- (ii) details of the training to be provided, records to be kept;
- (iii) the procedures for prevention, preparedness and response activities to be implemented in the case of an emergency event (i.e. an unanticipated incident, arising from both natural and man-made hazards, typically in the form of fire, explosions, leaks or spills, which may occur for a variety of different reasons including failure to implement operating procedures that are designed to prevent their occurrence, extreme weather or lack of early warning);
- (iv) the measures to be taken to avoid or minimize the potential for community exposure to water-borne,

- water-based, water-related, and vector-borne diseases,
- (v) the measures to be implemented to avoid or minimize the spread of communicable diseases (including transfer of Sexually Transmitted Diseases or Infections (STDs), such as HIV virus) and non-communicable diseases associated with the execution of the Contract, taking into consideration differentiated exposure to and higher sensitivity of vulnerable groups. This includes taking measures to avoid or minimize the transmission of communicable diseases that may be associated with the influx of temporary or permanent Contract-related labor;
  - (vi) the policies and procedures on the management and quality of accommodation and welfare facilities if such accommodation and welfare facilities are provided by the Contractor in accordance with GCC Sub-Clause 22.2.6; and
- (b) any other requirements stated in the Specification.

#### 22.2.8 Funeral Arrangements

In the event of the death of any of the Contractor's Personnel or accompanying members of their families, the Contractor shall be responsible for making the appropriate arrangements for their return or burial, unless otherwise specified in the PCC.

#### 22.2.9 Records of Contractor's Personnel

The Contractor shall keep accurate records of the Contractor's Personnel, including the number of each class of Contractor's personnel on the Site and the names, ages, genders, hours worked and wages paid to all workers. These records shall be summarized on a monthly basis in a form approved by the Project Manager and shall be available for inspection by the Project Manager until the Contractor has completed all work.

#### 22.2.10 Supply of Foodstuffs

The Contractor shall arrange for the provision of a sufficient supply of suitable food as may be stated in the Employer's Requirements at reasonable prices for the Contractor's personnel for the purposes of or in connection with the Contract.

#### 22.2.11 Supply of Water

The Contractor shall, having regard to local conditions, provide on the Site an adequate supply of drinking and other water for the use of the Contractor's personnel.

22.2.12 Measures against Insect and Pest Nuisance

The Contractor shall at all times take the necessary precautions to protect the Contractor's personnel employed on the Site from insect and pest nuisance, and to reduce their danger to health. The Contractor shall comply with all the regulations of the local health authorities, including use of appropriate insecticide.

22.2.13 Alcoholic Liquor or Drugs

The Contractor shall not, otherwise than in accordance with the laws of the Country, import, sell, give barter or otherwise dispose of any alcoholic liquor or drugs, or permit or allow importation, sale, gift barter or disposal by Contractor's personnel.

22.2.14 Arms and Ammunition

The Contractor shall not give, barter, or otherwise dispose of, to any person, any arms or ammunition of any kind, or allow Contractor's Personnel to do so.

22.2.15 Workers' Organizations

In countries where the relevant labor laws recognize workers' rights to form and to join workers' organizations of their choosing and to bargain collectively without interference, the Contractor shall comply with such laws. In such circumstances, the role of legally established workers' organizations and legitimate workers' representatives will be respected, and they will be provided with information needed for meaningful negotiation in a timely manner. Where the relevant labor laws substantially restrict workers' organizations, the Contractor shall enable alternative means for the Contractor's and its Subcontractors' personnel to express their grievances and protect their rights regarding working conditions and terms of employment. The Contractor shall not seek to influence or control these alternative means. The Contractor shall not discriminate or retaliate against the Contractor's and its Subcontractors' personnel who participate,

or seek to participate, in such organizations and collective bargaining or alternative mechanisms. Workers' organizations are expected to fairly represent the workers in the workforce.

22.2.16 Non-Discrimination and Equal Opportunity

The Contractor shall not make decisions relating to the employment or treatment of Contractor's Personnel on the basis of personal characteristics unrelated to inherent job requirements. The Contractor shall base the employment of Contractor's Personnel on the principle of equal opportunity and fair treatment, and shall not discriminate with respect to any aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, and disciplinary practices.

Special measures of protection or assistance to remedy past discrimination or selection for a particular job based on the inherent requirements of the job shall not be deemed discrimination. The Contractor shall provide protection and assistance as necessary to ensure non-discrimination and equal opportunity, including for specific groups such as women, people with disabilities, migrant workers and children (of working age in accordance with GCC Sub-Clause 22.2.19).

22.2.17 Contractor's Personnel Grievance Mechanism

The Contractor shall have a grievance mechanism for the Contractor's Personnel, and where relevant the workers' organizations stated in subclause 22.2.15, to raise workplace concerns. The grievance mechanism shall be proportionate to the nature, scale, risks and impacts of the Contract. The mechanism shall address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned in a language they understand, without any retribution, and shall operate in an independent and objective manner.

The Contractor's Personnel shall be informed of the grievance mechanism at the time of engagement for the Contract, and the measures put in place to

protect them against any reprisal for its use. Measures will be put in place to make the grievance mechanism easily accessible to all Contractor's and its Subcontractors' personnel.

The grievance mechanism shall not impede access to other judicial or administrative remedies that might be available, or substitute for grievance mechanisms provided through collective agreements.

The grievance mechanism may utilize existing grievance mechanisms, providing that they are properly designed and implemented, address concerns promptly, and are readily accessible to such project workers. Existing grievance mechanisms may be supplemented as needed with Contract-specific arrangements.

22.2.18 Forced Labor

The Contractor, including its Subcontractors/ suppliers/ manufacturers, shall not employ or engage forced labour. Forced labour consists of any work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty, and includes any kind of involuntary or compulsory labour, such as indentured labour, bonded labour or similar labour-contracting arrangements.

No persons shall be employed or engaged who have been subject to trafficking. Trafficking in persons is defined as the recruitment, transportation, transfer, harbouring or receipt of persons by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation.

In this regard, the Contractor shall:

- (a) include in contracts with Subcontractors/ suppliers/ manufacturers of [solar panels] [solar panel components], obligations to prevent Forced Labor among the staff, employees, workers and any other person employed or engaged by the Subcontractor/ supplier/ manufacturer;
- (b) include in contracts with Subcontractors/ suppliers/ manufacturers of [solar panels] [solar panel components], that the

Subcontractors/ suppliers/manufacturers include an obligation to prevent Forced Labor in all contracts that they execute with their suppliers/ manufacturers of [solar panel][solar panel components];

- (c) monitor Subcontractors/ suppliers/ manufacturers of [solar panels][solar panel components] on implementation of obligations to prevent Forced Labor among the staff, employees, workers and any other person employed or engaged by them;
- (d) require Subcontractors to monitor their suppliers/manufacturers of [solar panels][solar panel components] on implementation of obligations to prevent Forced Labor among the staff, employees, workers and any other person employed or engaged by them;
- (e) require its Subcontractors/ suppliers/ manufacturers to immediately notify the Contractor of any incidents of Forced Labor;
- (f) immediately notify the Employer any incident of Forced labor on the site, or premises of Subcontractors/ suppliers/ manufacturers of [solar panels] [solar panel components]; and
- (g) include in periodic progress reports submitted in accordance with the contract sufficient details on its, including its Subcontractors/ suppliers/ manufacturers, compliance with Forced Labor obligations.

22.2.19 Child Labor

The Contractor, including its Subcontractors, shall not employ or engage a child under the age of 14 unless the national law specifies a higher age (the minimum age).

The Contractor, including its Subcontractors, shall not employ or engage a child between the minimum age and the age of 18 in a manner that is likely to be hazardous, or to interfere with, the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

The Contractor including its Subcontractors, shall only employ or engage children between the minimum age and the age of 18 after an appropriate risk assessment has been conducted by the

Contractor with the Engineer's consent. The Contractor shall be subject to regular monitoring by the Project Manager that includes monitoring of health, working conditions and hours of work.

Work considered hazardous for children is work that, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of children. Such work activities prohibited for children include work:

- (a) with exposure to physical, psychological or sexual abuse;
- (b) underground, underwater, working at heights or in confined spaces;
- (c) with dangerous machinery, equipment or tools, or involving handling or transport of heavy loads;
- (d) in unhealthy environments exposing children to hazardous substances, agents, or processes, or to temperatures, noise or vibration damaging to health; or
- (e) Under difficult conditions such as work for long hours, during the night or in confinement on the premises of the employer.

### 22.3. Contractor's Equipment

22.3.1 All Contractor's Equipment brought by the Contractor onto the Site shall be deemed to be intended to be used exclusively for the execution of the Contract. The Contractor shall not remove the same from the Site without the Project Manager's consent that such Contractor's Equipment is no longer required for the execution of the Contract.

22.3.2 Unless otherwise specified in the Contract, upon completion of the Facilities, the Contractor shall remove from the Site all Equipment brought by the Contractor onto the Site and any surplus materials remaining thereon.

22.3.3 The Employer will, if requested, use its best endeavors to assist the Contractor in obtaining any local, state or national government permission required by the Contractor for the export of the Contractor's Equipment imported by the Contractor for use in the execution of the Contract that is no longer required for the execution of the Contract.

### 22.4. Site Regulations



The Employer and the Contractor shall establish Site regulations setting out the rules to be observed in the execution of the Contract at the Site and shall comply therewith. The Contractor shall prepare and submit to the Project Manager with a copy to the Employer, proposed Site regulations for the Project Manager's approval, which approval shall not be unreasonably withheld.

Such Site regulations shall include, but shall not be limited to, Code of Conduct for environmental and social aspects submitted as part of the Bid and agreed to by the Employer, , security arrangements in accordance with GCC Sub-Clause 22.8, safety of the Facilities, gate control, sanitation, medical care, and fire prevention.

The Contractor shall take all necessary measures to ensure that each Contractor's Personnel, employed for the execution of the Contract at the Site or other places where the Installation Services are carried out, is made aware of the Code of Conduct including specific behaviors that are prohibited, and understands the consequences of engaging in such prohibited behaviors.

These measures include providing instructions and documentation that can be understood by the Contractor's Personnel and seeking to obtain that person's signature acknowledging receipt of such instructions and/or documentation, as appropriate.

The Contractor shall also ensure that the Code of Conduct is visibly displayed in multiple locations on the Site and any other place where the Installation Services will be carried out, as well as in areas outside the Site accessible to the local community and project affected people. The posted Code of Conduct shall be provided in languages comprehensible to Contractor's Personnel, Employer's Personnel and the local community.

The Contractor's Management Strategy and Implementation Plans shall include appropriate processes for the Contractor to verify compliance with these obligations.

#### 22.5. Opportunities for Other Contractors

22.5.1 The Contractor shall, upon written request from the Employer or the Project Manager, give all reasonable opportunities for carrying out the work to any other contractors employed by the Employer on or near the Site.

- 22.5.2 If the Contractor, upon written request from the Employer or the Project Manager, makes available to other contractors any roads or ways the maintenance for which the Contractor is responsible, permits the use by such other contractors of the Contractor's Equipment, or provides any other service of whatsoever nature for such other contractors, the Employer shall fully compensate the Contractor for any loss or damage caused or occasioned by such other contractors in respect of any such use or service, and shall pay to the Contractor reasonable remuneration for the use of such equipment or the provision of such services.
- 22.5.3 The Contractor shall also so arrange to perform its work as to minimize, to the extent possible, interference with the work of other contractors. The Project Manager shall determine the resolution of any difference or conflict that may arise between the Contractor and other contractors and the workers of the Employer in regard to their work.
- 22.5.4 The Contractor shall notify the Project Manager promptly of any defects in the other contractors' work that come to its notice, and that could affect the Contractor's work. The Project Manager shall determine the corrective measures, if any, required to rectify the situation after inspection of the Facilities. Decisions made by the Project Manager shall be binding on the Contractor.

#### 22.6. Emergency Work

If, by reason of an emergency arising in connection with and during the execution of the Contract, any protective or remedial work is necessary as a matter of urgency to prevent damage to the Facilities, the Contractor shall immediately carry out such work.

If the Contractor is unable or unwilling to do such work immediately, the Employer may do or cause such work to be done as the Employer may determine is necessary in order to prevent damage to the Facilities. In such event the Employer shall, as soon as practicable after the occurrence of any such emergency, notify the Contractor in writing of such emergency, the work done and the reasons therefor. If the work done or caused to be done by the Employer is work that the Contractor was liable to do at its own expense under the Contract, the reasonable costs incurred by the Employer in connection therewith

shall be paid by the Contractor to the Employer.  
Otherwise, the cost of such remedial work shall be borne by the Employer.

#### 22.7. Site Clearance

22.7.1 Site Clearance in Course of Performance: In the course of carrying out the Contract, the Contractor shall keep the Site reasonably free from all unnecessary obstruction, store or remove any surplus materials, clear away any wreckage, rubbish or temporary works from the Site, and remove any Contractor's Equipment no longer required for execution of the Contract.

22.7.2 Clearance of Site after Completion: After Completion of all parts of the Facilities, the Contractor shall clear away and remove all wreckage, rubbish and debris of any kind from the Site, and shall leave the Site and Facilities in a clean and safe condition.

#### 22.8. Security of the Site

The Contractor shall be responsible for the security of the Site including providing and maintaining at its own expense all lighting, fencing, and watching when and where necessary for the proper execution and the protection of the Facilities, or for the safety of the owners and occupiers of adjacent property and for the safety of the public.

If required in the Employer's Requirements, the Contractor shall submit for the Project Manager's No-objection a security management plan that sets the security arrangements for the Site.

In making security arrangements, the Contractor shall be guided by applicable laws and any other requirements stated in the Employer's Requirements.

The Contractor shall (i) conduct appropriate background checks on any personnel retained to provide security; (ii) train the security personnel adequately (or determine that they are properly trained) in the use of force (and where applicable, firearms), and appropriate conduct towards Contractor's and Sub-contractor's personnel, Employer's personnel and affected communities; and (iii) require the security personnel to act within the applicable Laws and any requirements set out in the Employer's Requirements.

The Contractor shall not permit any use of force by security personnel in providing security except when used

for preventive and defensive purposes in proportion to the nature and extent of the threat.

22.9. Protection of the Environment

The Contractor shall take all necessary measures to:

- i. protect the environment (both on and off the Site); and
- ii. limit damage and nuisance to people and property resulting from pollution, noise and other results of the Contractor's operations and/ or activities.

The Contractor shall ensure that emissions, surface discharges, effluent and any other pollutants from the Contractor's activities shall exceed neither the values indicated in the Employer's Requirements, nor those prescribed by applicable laws.

In the event of damage to the environment, property and/or nuisance to people, on or off Site as a result of the Contractor's operations, the Contractor shall agree with the Project Manager the appropriate actions and time scale to remedy, as practicable, the damaged environment to its former condition. The Contractor shall implement such remedies at its cost to the satisfaction of the Project Manager.

22.10. Cultural Heritage Findings

All fossils, coins, articles of value or antiquity, structures, groups of structures, and other remains or items of geological, archaeological, paleontological, historical, architectural, religious interest found on the Site shall be placed under the care and custody of the Employer.

The Contractor shall take all reasonable precautions, including fencing-off the area or site of the finding, to avoid further disturbance and prevent Contractor's Personnel or other persons from removing or damaging any of these findings;

As soon as practicable after discovery of any such finding, the Contractor shall give a notice to the Project Manager, to give the Project Manager the opportunity to promptly inspect and/or investigate the finding before it is disturbed and to issue instructions for dealing with it.

**23. Test and Inspection**

23.1. The Contractor shall at its own expense carry out at the place of manufacture and/or on the Site all such tests and/or inspections of the Plant and any part of the Facilities as are specified in the Contract.

23.2. The Employer and the Project Manager or their designated representatives shall be entitled to attend the aforesaid test

and/or inspection, provided that the Employer shall bear all costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.

- 23.3. Whenever the Contractor is ready to carry out any such test and/or inspection, the Contractor shall give a reasonable advance notice of such test and/or inspection and of the place and time thereof to the Project Manager. The Contractor shall obtain from any relevant third Party or manufacturer any necessary permission or consent to enable the Employer and the Project Manager or their designated representatives to attend the test and/or inspection.
- 23.4. The Contractor shall provide the Project Manager with a certified report of the results of any such test and/or inspection.  
If the Employer or Project Manager or their designated representatives fails to attend the test and/or inspection, or if it is agreed between the Parties that such persons shall not do so, then the Contractor may proceed with the test and/or inspection in the absence of such persons, and may provide the Project Manager with a certified report of the results thereof.
- 23.5. The Project Manager may require the Contractor to carry out any test and/or inspection not required by the Contract, provided that the Contractor's reasonable costs and expenses incurred in the carrying out of such test and/or inspection shall be added to the Contract Price. Further, if such test and/or inspection impede the progress of work on the Facilities and/or the Contractor's performance of its other obligations under the Contract, due allowance will be made in respect of the Time for Completion and the other obligations so affected.
- 23.6. If any Plant or any part of the Facilities fails to pass any test and/or inspection, the Contractor shall either rectify or replace such Plant or part of the Facilities and shall repeat the test and/or inspection upon giving a notice under GCC Sub-Clause 23.3.
- 23.7. If any dispute or difference of opinion shall arise between the Parties in connection with or arising out of the test and/or inspection of the Plant or part of the Facilities that cannot be settled between the Parties within a reasonable period of time, it may be referred to an Dispute Board for determination in accordance with GCC Sub-Clause 46.3.

- 23.8. The Contractor shall afford the Employer and the Project Manager, at the Employer's expense, access at any reasonable time to any place where the Plant are being manufactured or the Facilities are being installed, in order to inspect the progress and the manner of manufacture or installation, provided that the Project Manager shall give the Contractor a reasonable prior notice. Without prejudice to GCC Sub-Clause 9.7, as instructed by the Project Manager, the Contractor shall also afford other relevant entities (at the Employer's or their respective entities' expense, as appropriate) access to the Facilities, to inspect progress and the manner of the execution of the Facilities, carry out environmental and social audit, as appropriate, or carry out any other duty as stated in the Employer's Requirements or as instructed by the Project Manager.
- 23.9. The Contractor agrees that neither the execution of a test and/or inspection of Plant or any part of the Facilities, nor the attendance by the Employer or the Project Manager, nor the issue of any test certificate pursuant to GCC Sub-Clause 23.4, shall release the Contractor from any other responsibilities under the Contract.
- 23.10. No part of the Facilities or foundations shall be covered up on the Site without the Contractor carrying out any test and/or inspection required under the Contract. The Contractor shall give a reasonable notice to the Project Manager whenever any such parts of the Facilities or foundations are ready or about to be ready for test and/or inspection; such test and/or inspection and notice thereof shall be subject to the requirements of the Contract.
- 23.11. The Contractor shall uncover any part of the Facilities or foundations, or shall make openings in or through the same as the Project Manager may from time to time require at the Site, and shall reinstate and make good such part or parts. If any parts of the Facilities or foundations have been covered up at the Site after compliance with the requirement of GCC Sub-Clause 23.10 and are found to be executed in accordance with the Contract, the expenses of uncovering, making openings in or through, reinstating, and making good the same shall be borne by the Employer, and the Time for Completion shall be reasonably adjusted to the extent that the Contractor has thereby been delayed or impeded in the performance of any of its obligations under the Contract.

**24. Completion of the Facilities**

- 24.1. As soon as the Facilities or any part thereof has, in the opinion of the Contractor, been completed operationally

and structurally and put in a tight and clean condition as specified in the Employer's Requirements, excluding minor items not materially affecting the operation or safety of the Facilities, the Contractor shall so notify the Employer in writing.

24.2. Within seven (7) days after receipt of the notice from the Contractor under GCC Sub-Clause 24.1, the Employer shall supply the operating and maintenance personnel specified in the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer for Precommissioning of the Facilities or any part thereof.

Pursuant to the Appendix to the Contract Agreement titled Scope of Works and Supply by the Employer, the Employer shall also provide, within the said seven (7) day period, the raw materials, utilities, lubricants, chemicals, catalysts, facilities, services and other matters required for Precommissioning of the Facilities or any part thereof.

24.3. As soon as reasonably practicable after the operating and maintenance personnel have been supplied by the Employer and the raw materials, utilities, lubricants, chemicals, catalysts, facilities, services and other matters have been provided by the Employer in accordance with GCC Sub-Clause 24.2, the Contractor shall commence Precommissioning of the Facilities or the relevant part thereof in preparation for Commissioning, subject to GCC Sub-Clause 25.5.

24.4. As soon as all works in respect of Precommissioning are completed and, in the opinion of the Contractor, the Facilities or any part thereof is ready for Commissioning, the Contractor shall so notify the Project Manager in writing.

24.5. The Project Manager shall, within fourteen (14) days after receipt of the Contractor's notice under GCC Sub-Clause 24.4, either issue a Completion Certificate in the form specified in the Employer's Requirements (Forms and Procedures), stating that the Facilities or that part thereof have reached Completion as of the date of the Contractor's notice under GCC Sub-Clause 24.4, or notify the Contractor in writing of any defects and/or deficiencies.

If the Project Manager notifies the Contractor of any defects and/or deficiencies, the Contractor shall then correct such defects and/or deficiencies, and shall repeat the procedure described in GCC Sub-Clause 24.4.

If the Project Manager is satisfied that the Facilities or that part thereof have reached Completion, the Project Manager shall, within seven (7) days after receipt of the

Contractor's repeated notice, issue a Completion Certificate stating that the Facilities or that part thereof have reached Completion as of the date of the Contractor's repeated notice.

If the Project Manager is not so satisfied, then it shall notify the Contractor in writing of any defects and/or deficiencies within seven (7) days after receipt of the Contractor's repeated notice, and the above procedure shall be repeated.

24.6. If the Project Manager fails to issue the Completion Certificate and fails to inform the Contractor of any defects and/or deficiencies within fourteen (14) days after receipt of the Contractor's notice under GCC Sub-Clause 24.4 or within seven (7) days after receipt of the Contractor's repeated notice under GCC Sub-Clause 24.5, or if the Employer makes use of the Facilities or part thereof, then the Facilities or that part thereof shall be deemed to have reached Completion as of the date of the Contractor's notice or repeated notice, or as of the Employer's use of the Facilities, as the case may be.

24.7. As soon as possible after Completion, the Contractor shall complete all outstanding minor items so that the Facilities are fully in accordance with the requirements of the Contract, failing which the Employer will undertake such completion and deduct the costs thereof from any monies owing to the Contractor.

24.8. Upon Completion, the Employer shall be responsible for the care and custody of the Facilities or the relevant part thereof, together with the risk of loss or damage thereto, and shall thereafter take over the Facilities or the relevant part thereof.

**25. Commissioning and Operational Acceptance**

25.1. Commissioning

25.1.1 Commissioning of the Facilities or any part thereof shall be commenced by the Contractor immediately after issue of the Completion Certificate by the Project Manager, pursuant to GCC Sub-Clause 24.5, or immediately after the date of the deemed Completion, under GCC Sub-Clause 24.6.

25.1.2 The Employer shall supply the operating and maintenance personnel and all raw materials, utilities, lubricants, chemicals, catalysts, facilities, services and other matters required for Commissioning.

25.1.3 In accordance with the requirements of the Contract, the Contractor's and Project Manager's



advisory personnel shall attend the Commissioning, including the Guarantee Test, and shall advise and assist the Employer.

25.2. Guarantee Test

25.2.1 Subject to GCC Sub-Clause 25.5, the Guarantee Test and repeats thereof shall be conducted by the Contractor during Commissioning of the Facilities or the relevant part thereof to ascertain whether the Facilities or the relevant part can attain the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees. The Employer shall promptly provide the Contractor with such information as the Contractor may reasonably require in relation to the conduct and results of the Guarantee Test and any repeats thereof.

25.2.2 If for reasons not attributable to the Contractor, the Guarantee Test of the Facilities or the relevant part thereof cannot be successfully completed within the period from the date of Completion **specified in the PCC** or any other period agreed upon by the Employer and the Contractor, the Contractor shall be deemed to have fulfilled its obligations with respect to the Functional Guarantees, and GCC Sub-Clauses 28.2 and 28.3 shall not apply.

25.3. Operational Acceptance

25.3.1 Subject to GCC Sub-Clause 25.4 below, Operational Acceptance shall occur in respect of the Facilities or any part thereof when

- (a) the Guarantee Test has been successfully completed and the Functional Guarantees are met; or
- (b) the Guarantee Test has not been successfully completed or has not been carried out for reasons not attributable to the Contractor within the period from the date of Completion specified in the PCC pursuant to GCC Sub-Clause 25.2.2 above or any other period agreed upon by the Employer and the Contractor; or
- (c) the Contractor has paid the liquidated damages specified in GCC Sub-Clause 28.3 hereof; and

- (d) any minor items mentioned in GCC Sub-Clause 24.7 hereof relevant to the Facilities or that part thereof have been completed.
  - 25.3.2 At any time after any of the events set out in GCC Sub-Clause 25.3.1 have occurred, the Contractor may give a notice to the Project Manager requesting the issue of an Operational Acceptance Certificate in the form provided in the Employer's Requirements (Forms and Procedures) in respect of the Facilities or the part thereof specified in such notice as of the date of such notice.
  - 25.3.3 The Project Manager shall, after consultation with the Employer, and within seven (7) days after receipt of the Contractor's notice, issue an Operational Acceptance Certificate.
  - 25.3.4 If within seven (7) days after receipt of the Contractor's notice, the Project Manager fails to issue the Operational Acceptance Certificate or fails to inform the Contractor in writing of the justifiable reasons why the Project Manager has not issued the Operational Acceptance Certificate, the Facilities or the relevant part thereof shall be deemed to have been accepted as of the date of the Contractor's said notice.
- 25.4. Partial Acceptance
- 25.4.1 If the Contract specifies that Completion and Commissioning shall be carried out in respect of parts of the Facilities, the provisions relating to Completion and Commissioning including the Guarantee Test shall apply to each such part of the Facilities individually, and the Operational Acceptance Certificate shall be issued accordingly for each such part of the Facilities.
  - 25.4.2 If a part of the Facilities comprises facilities such as buildings, for which no Commissioning or Guarantee Test is required, then the Project Manager shall issue the Operational Acceptance Certificate for such facility when it attains Completion, provided that the Contractor shall thereafter complete any outstanding minor items that are listed in the Operational Acceptance Certificate.
- 25.5. Delayed Precommissioning and/or Guarantee Test
- 25.5.1 In the event that the Contractor is unable to proceed with the Precommissioning of the Facilities pursuant to Sub-Clause 24.3, or with the Guarantee

Test pursuant to Sub-Clause 25.2, for reasons attributable to the Employer either on account of non availability of other facilities under the responsibilities of other contractor(s), or for reasons beyond the Contractor's control, the provisions leading to "deemed" completion of activities such as Completion, pursuant to GCC Sub-Clause 24.6, and Operational Acceptance, pursuant to GCC Sub-Clause 25.3.4, and Contractor's obligations regarding Defect Liability Period, pursuant to GCC Sub-Clause 27.2, Functional Guarantee, pursuant to GCC Clause 28, and Care of Facilities, pursuant to GCC Clause 32, and GCC Clause 41.1, Suspension, shall not apply. In this case, the following provisions shall apply.

- 25.5.2 When the Contractor is notified by the Project Manager that he will be unable to proceed with the activities and obligations pursuant to above Sub-Clause 25.5.1, the Contractor shall be entitled to the following:
- (a) the Time of Completion shall be extended for the period of suspension without imposition of liquidated damages pursuant to GCC Sub-Clause 26.2;
  - (b) payments due to the Contractor in accordance with the provision specified in the Appendix to the Contract Agreement titled Terms and Procedures of Payment, which would not have been payable in normal circumstances due to non-completion of the subject activities, shall be released to the Contractor against submission of a security in the form of a bank guarantee of equivalent amount acceptable to the Employer, and which shall become null and void when the Contractor will have complied with its obligations regarding those payments, subject to the provision of Sub-Clause 25.5.3 below;
  - (c) the expenses towards the above security and extension of other securities under the contract, of which validity needs to be extended, shall be reimbursed to the Contractor by the Employer;
  - (d) the additional charges towards the care of the Facilities pursuant to GCC Sub-Clause 32.1 shall

be reimbursed to the Contractor by the Employer for the period between the notification mentioned above and the notification mentioned in Sub-Clause 25.5.4 below. The provision of GCC Sub-Clause 33.2 shall apply to the Facilities during the same period.

25.5.3 In the event that the period of suspension under above Sub-Clause 25.5.1 actually exceeds one hundred eighty (180) days, the Employer and Contractor shall mutually agree to any additional compensation payable to the Contractor.

25.5.4 When the Contractor is notified by the Project Manager that the Plant is ready for Precommissioning, the Contractor shall proceed without delay in performing Precommissioning in accordance with Clause 24.

#### **F. Guarantees and Liabilities**

#### **26. Completion Time Guarantee**

26.1. The Contractor guarantees that it shall attain Completion of the Facilities (or a part for which a separate time for completion is specified) within the Time for Completion specified in the PCC pursuant to GCC Sub-Clause 8.2, or within such extended time to which the Contractor shall be entitled under GCC Clause 40 hereof.

26.2. If the Contractor fails to attain Completion of the Facilities or any part thereof within the Time for Completion or any extension thereof under GCC Clause 40, the Contractor shall pay to the Employer liquidated damages in the amount **specified in the PCC** as a percentage rate of the Contract Price or the relevant part thereof. The aggregate amount of such liquidated damages shall in no event exceed the amount **specified as “Maximum” in the PCC** as a percentage rate of the Contract Price. Once the “Maximum” is reached, the Employer may consider termination of the Contract, pursuant to GCC Sub-Clause 42.2.2.

Such payment shall completely satisfy the Contractor’s obligation to attain Completion of the Facilities or the relevant part thereof within the Time for Completion or any extension thereof under GCC Clause 40. The Contractor shall have no further liability whatsoever to the Employer in respect thereof.

However, the payment of liquidated damages shall not in any way relieve the Contractor from any of its obligations to

complete the Facilities or from any other obligations and liabilities of the Contractor under the Contract.

Save for liquidated damages payable under this GCC Sub-Clause 26.2, the failure by the Contractor to attain any milestone or other act, matter or thing by any date specified in the Appendix to the Contract Agreement titled Time Schedule, and/or other program of work prepared pursuant to GCC Sub-Clause 18.2 shall not render the Contractor liable for any loss or damage thereby suffered by the Employer.

26.3. If the Contractor attains Completion of the Facilities or any part thereof before the Time for Completion or any extension thereof under GCC Clause 40, the Employer shall pay to the Contractor a bonus in the amount **specified in the PCC**. The aggregate amount of such bonus shall in no event exceed the amount **specified as “Maximum” in the PCC**.

**27. Defect Liability**

27.1. The Contractor warrants that the Facilities or any part thereof shall be free from defects in the design, engineering, materials and workmanship of the Plant supplied and of the work executed.

27.2. The Defect Liability Period shall be five hundred and forty (540) days from the date of Completion of the Facilities (or any part thereof) or one year from the date of Operational Acceptance of the Facilities (or any part thereof), whichever first occurs, unless specified otherwise in the PCC pursuant to GCC Sub-Clause 27.10.

If during the Defect Liability Period any defect should be found in the design, engineering, materials and workmanship of the Plant supplied or of the work executed by the Contractor, the Contractor shall promptly, in consultation and agreement with the Employer regarding appropriate remedying of the defects, and at its cost, repair, replace or otherwise make good as the Contractor shall determine at its discretion, such defect as well as any damage to the Facilities caused by such defect. The Contractor shall not be responsible for the repair, replacement or making good of any defect or of any damage to the Facilities arising out of or resulting from any of the following causes:

- (a) improper operation or maintenance of the Facilities by the Employer;
- (b) operation of the Facilities outside specifications provided in the Contract; or
- (c) normal wear and tear.

27.3. The Contractor's obligations under this GCC Clause 27 shall not apply to:

- (a) any materials that are supplied by the Employer under GCC Sub-Clause 21.2, are normally consumed in operation, or have a normal life shorter than the Defect Liability Period stated herein;
  - (b) any designs, specifications or other data designed, supplied or specified by or on behalf of the Employer or any matters for which the Contractor has disclaimed responsibility herein; or
  - (c) any other materials supplied or any other work executed by or on behalf of the Employer, except for the work executed by the Employer under GCC Sub-Clause 27.7.
- 27.4. The Employer shall give the Contractor a notice stating the nature of any such defect together with all available evidence thereof, promptly following the discovery thereof. The Employer shall afford all reasonable opportunity for the Contractor to inspect any such defect.
- 27.5. The Employer shall afford the Contractor all necessary access to the Facilities and the Site to enable the Contractor to perform its obligations under this GCC Clause 27.  
The Contractor may, with the consent of the Employer, remove from the Site any Plant or any part of the Facilities that are defective if the nature of the defect, and/or any damage to the Facilities caused by the defect, is such that repairs cannot be expeditiously carried out at the Site.
- 27.6. If the repair, replacement or making good is of such a character that it may affect the efficiency of the Facilities or any part thereof, the Employer may give to the Contractor a notice requiring that tests of the defective part of the Facilities shall be made by the Contractor immediately upon completion of such remedial work, whereupon the Contractor shall carry out such tests.  
If such part fails the tests, the Contractor shall carry out further repair, replacement or making good, as the case may be, until that part of the Facilities passes such tests. The tests shall be agreed upon by the Employer and the Contractor.
- 27.7. If the Contractor fails to commence the work necessary to remedy such defect or any damage to the Facilities caused by such defect within a reasonable time (which shall in no event be considered to be less than fifteen (15) days), the Employer may, following notice to the Contractor, proceed to do such work, and the reasonable costs incurred by the Employer in connection therewith shall be paid to the Employer by the Contractor or may be deducted by the Employer from any

monies due the Contractor or claimed under the Performance Security.

- 27.8. If the Facilities or any part thereof cannot be used by reason of such defect and/or making good of such defect, the Defect Liability Period of the Facilities or such part, as the case may be, shall be extended by a period equal to the period during which the Facilities or such part cannot be used by the Employer because of any of the aforesaid reasons.
- 27.9. Except as provided in GCC Clauses 27 and 33, the Contractor shall be under no liability whatsoever and howsoever arising, and whether under the Contract or at law, in respect of defects in the Facilities or any part thereof, the Plant, design or engineering or work executed that appear after Completion of the Facilities or any part thereof, except where such defects are the result of the gross negligence, fraud, or criminal or willful action of the Contractor.
- 27.10. In addition, any such component of the Facilities, and during the period of time as may be **specified in the PCC**, shall be subject to an extended defect liability period. Such obligation of the Contractor shall be in addition to the defect liability period specified under GCC Sub-Clause 27.2.

## 28. Functional Guarantees

- 28.1. The Contractor guarantees that during the Guarantee Test, the Facilities and all parts thereof shall attain the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees, subject to and upon the conditions therein specified.
- 28.2. If, for reasons attributable to the Contractor, the minimum level of the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees, are not met either in whole or in part, the Contractor shall at its cost and expense make such changes, modifications and/or additions to the Plant or any part thereof as may be necessary to meet at least the minimum level of such Guarantees. The Contractor shall notify the Employer upon completion of the necessary changes, modifications and/or additions, and shall request the Employer to repeat the Guarantee Test until the minimum level of the Guarantees has been met. If the Contractor eventually fails to meet the minimum level of Functional Guarantees, the Employer may consider termination of the Contract, pursuant to GCC Sub-Clause 42.2.2.
- 28.3. If, for reasons attributable to the Contractor, the Functional Guarantees specified in the Appendix to the Contract Agreement titled Functional Guarantees, are not attained either in whole or in part, but the minimum level of the

Functional Guarantees specified in the said Appendix to the Contract Agreement is met, the Contractor shall, at the Contractor's option, either

- (a) make such changes, modifications and/or additions to the Facilities or any part thereof that are necessary to attain the Functional Guarantees at its cost and expense, and shall request the Employer to repeat the Guarantee Test or
- (b) pay liquidated damages to the Employer in respect of the failure to meet the Functional Guarantees in accordance with the provisions in the Appendix to the Contract Agreement titled Functional Guarantees.

28.4. The payment of liquidated damages under GCC Sub-Clause 28.3, up to the limitation of liability specified in the Appendix to the Contract Agreement titled Functional Guarantees, shall completely satisfy the Contractor's guarantees under GCC Sub-Clause 28.3, and the Contractor shall have no further liability whatsoever to the Employer in respect thereof. Upon the payment of such liquidated damages by the Contractor, the Project Manager shall issue the Operational Acceptance Certificate for the Facilities or any part thereof in respect of which the liquidated damages have been so paid.

**29. Patent  
Indemnity**

29.1. The Contractor shall, subject to the Employer's compliance with GCC Sub-Clause 29.2, indemnify and hold harmless the Employer and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Employer may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Contract by reason of: (a) the installation of the Facilities by the Contractor or the use of the Facilities in the country where the Site is located; and (b) the sale of the products produced by the Facilities in any country.

Such indemnity shall not cover any use of the Facilities or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract, any infringement resulting from the use of the Facilities or any part thereof, or any products produced thereby in association or combination with any other equipment, Plant or materials not supplied by the Contractor, pursuant to the Contract Agreement.

29.2. If any proceedings are brought or any claim is made against the Employer arising out of the matters referred to in GCC Sub-



Clause 29.1, the Employer shall promptly give the Contractor a notice thereof, and the Contractor may at its own expense and in the Employer's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Contractor fails to notify the Employer within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Employer shall be free to conduct the same on its own behalf. Unless the Contractor has so failed to notify the Employer within the twenty-eight (28) day period, the Employer shall make no admission that may be prejudicial to the defense of any such proceedings or claim.

The Employer shall, at the Contractor's request, afford all available assistance to the Contractor in conducting such proceedings or claim, and shall be reimbursed by the Contractor for all reasonable expenses incurred in so doing.

29.3. The Employer shall indemnify and hold harmless the Contractor and its employees, officers and Subcontractors from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Contractor may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Contract arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided or designed by or on behalf of the Employer.

**30. Limitation of Liability**

30.1. Except in cases of criminal negligence or willful misconduct,  
(a) neither Party shall be liable to the other Party, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, which may be suffered by the other Party in connection with the Contract, other than specifically provided as any obligation of the Party in the Contract, and  
(b) the aggregate liability of the Contractor to the Employer, whether under the Contract, in tort or otherwise, shall not exceed the amount resulting from the application of the multiplier specified in the PCC, to the Contract Price or, if a multiplier is not so specified, the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing

defective equipment, or to any obligation of the Contractor to indemnify the Employer with respect to patent infringement.

### **G. Risk Distribution**

#### **31. Transfer of Ownership**

- 31.1. Ownership of the Plant (including spare parts) to be imported into the country where the Site is located shall be transferred to the Employer upon loading on to the mode of transport to be used to convey the Plant from the country of origin to that country.
- 31.2. Ownership of the Plant (including spare parts) procured in the country where the Site is located shall be transferred to the Employer when the Plant are brought on to the Site.
- 31.3. Ownership of the Contractor's Equipment used by the Contractor and its Subcontractors in connection with the Contract shall remain with the Contractor or its Subcontractors.
- 31.4. Ownership of any Plant in excess of the requirements for the Facilities shall revert to the Contractor upon Completion of the Facilities or at such earlier time when the Employer and the Contractor agree that the Plant in question are no longer required for the Facilities.
- 31.5. Notwithstanding the transfer of ownership of the Plant, the responsibility for care and custody thereof together with the risk of loss or damage thereto shall remain with the Contractor pursuant to GCC Clause 32 (Care of Facilities) hereof until Completion of the Facilities or the part thereof in which such Plant are incorporated.

#### **32. Care of Facilities**

- 32.1. The Contractor shall be responsible for the care and custody of the Facilities or any part thereof until the date of Completion of the Facilities pursuant to GCC Clause 24 or, where the Contract provides for Completion of the Facilities in parts, until the date of Completion of the relevant part, and shall make good at its own cost any loss or damage that may occur to the Facilities or the relevant part thereof from any cause whatsoever during such period. The Contractor shall also be responsible for any loss or damage to the Facilities caused by the Contractor or its Subcontractors in the course of any work carried out, pursuant to GCC Clause 27. Notwithstanding the foregoing, the Contractor shall not be liable for any loss or damage to the Facilities or that part thereof caused by reason of any of the matters specified or referred to in paragraphs (a), (b) and (c) of GCC Sub-Clauses 32.2 and 38.1.

32.2. If any loss or damage occurs to the Facilities or any part thereof or to the Contractor's temporary facilities by reason of

- (a) insofar as they relate to the country where the Site is located, nuclear reaction, nuclear radiation, radioactive contamination, pressure wave caused by aircraft or other aerial objects, or any other occurrences that an experienced contractor could not reasonably foresee, or if reasonably foreseeable could not reasonably make provision for or insure against, insofar as such risks are not normally insurable on the insurance market and are mentioned in the general exclusions of the policy of insurance, including War Risks and Political Risks, taken out under GCC Clause 34 hereof; or
- (b) any use or occupation by the Employer or any third Party other than a Subcontractor, authorized by the Employer of any part of the Facilities; or
- (c) any use of or reliance upon any design, data or specification provided or designated by or on behalf of the Employer, or any such matter for which the Contractor has disclaimed responsibility herein,

the Employer shall pay to the Contractor all sums payable in respect of the Facilities executed, notwithstanding that the same be lost, destroyed or damaged, and will pay to the Contractor the replacement value of all temporary facilities and all parts thereof lost, destroyed or damaged. If the Employer requests the Contractor in writing to make good any loss or damage to the Facilities thereby occasioned, the Contractor shall make good the same at the cost of the Employer in accordance with GCC Clause 39. If the Employer does not request the Contractor in writing to make good any loss or damage to the Facilities thereby occasioned, the Employer shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the Facilities thereby lost, destroyed or damaged, or, where the loss or damage affects a substantial part of the Facilities, the Employer shall terminate the Contract pursuant to GCC Sub-Clause 42.1 hereof.

32.3. The Contractor shall be liable for any loss of or damage to any Contractor's Equipment, or any other property of the Contractor used or intended to be used for purposes of the Facilities, except (i) as mentioned in GCC Sub-Clause 32.2 with respect to the Contractor's temporary facilities, and (ii) where such loss or damage arises by reason of any of the matters specified in GCC Sub-Clauses 32.2 (b) and (c) and 38.1.

**33. Loss of or  
Damage to  
Property;  
Accident or  
Injury to  
Workers;  
Indemnifica-  
tion**

32.4. With respect to any loss or damage caused to the Facilities or any part thereof or to the Contractor's Equipment by reason of any of the matters specified in GCC Sub-Clause 38.1, the provisions of GCC Sub-Clause 38.3 shall apply.

33.1. Subject to GCC Sub-Clause 33.3, the Contractor shall indemnify and hold harmless the Employer and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, in respect of the death or injury of any person or loss of or damage to any property other than the Facilities whether accepted or not, arising in connection with the supply and installation of the Facilities and by reason of the negligence of the Contractor or its Subcontractors, or their employees, officers or agents, except any injury, death or property damage caused by the negligence of the Employer, its contractors, employees, officers or agents.

33.2. If any proceedings are brought or any claim is made against the Employer that might subject the Contractor to liability under GCC Sub-Clause 33.1, the Employer shall promptly give the Contractor a notice thereof and the Contractor may at its own expense and in the Employer's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Contractor fails to notify the Employer within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Employer shall be free to conduct the same on its own behalf. Unless the Contractor has so failed to notify the Employer within the twenty-eight (28) day period, the Employer shall make no admission that may be prejudicial to the defense of any such proceedings or claim.

The Employer shall, at the Contractor's request, afford all available assistance to the Contractor in conducting such proceedings or claim, and shall be reimbursed by the Contractor for all reasonable expenses incurred in so doing.

33.3. The Employer shall indemnify and hold harmless the Contractor and its employees, officers and Subcontractors from any liability for loss of or damage to property of the Employer, other than the Facilities not yet taken over, that is caused by fire, explosion or any other perils, in excess of the amount recoverable from insurances procured under GCC Clause 34, provided that such fire, explosion or other perils were not caused by any act or failure of the Contractor.

**34. Insurance**

33.4. The Party entitled to the benefit of an indemnity under this GCC Clause 33 shall take all reasonable measures to mitigate any loss or damage which has occurred. If the Party fails to take such measures, the other Party's liabilities shall be correspondingly reduced.

34.1. To the extent specified in the Appendix to the Contract Agreement titled Insurance Requirements, the Contractor shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurances set forth below in the sums and with the deductibles and other conditions specified in the said Appendix. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, who should not unreasonably withhold such approval.

(a) Cargo Insurance During Transport

Covering loss or damage occurring while in transit from the Contractor's or Subcontractor's works or stores until arrival at the Site, to the Plant (including spare parts therefor) and to the Contractor's Equipment.

(b) Installation All Risks Insurance

Covering physical loss or damage to the Facilities at the Site, occurring prior to Completion of the Facilities, with an extended maintenance coverage for the Contractor's liability in respect of any loss or damage occurring during the Defect Liability Period while the Contractor is on the Site for the purpose of performing its obligations during the Defect Liability Period.

(c) Third Party Liability Insurance

Covering bodily injury or death suffered by third Parties including the Employer's personnel, and loss of or damage to property occurring in connection with the supply and installation of the Facilities.

(d) Automobile Liability Insurance

Covering use of all vehicles used by the Contractor or its Subcontractors, whether or not owned by them, in connection with the execution of the Contract.

(e) Workers' Compensation

In accordance with the statutory requirements applicable in any country where the Contract or any part thereof is executed.

(f) Employer's Liability

In accordance with the statutory requirements applicable in any country where the Contract or any part thereof is executed.

(g) Other Insurances

Such other insurances as may be specifically agreed upon by the Parties hereto as listed in the Appendix to the Contract Agreement titled Insurance Requirements.

- 34.2. The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1, except for the Third Party Liability, Workers' Compensation and Employer's Liability Insurances, and the Contractor's Subcontractors shall be named as co-insureds under all insurance policies taken out by the Contractor pursuant to GCC Sub-Clause 34.1 except for the Cargo Insurance During Transport, Workers' Compensation and Employer's Liability Insurances. All insurer's rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies.
- 34.3. The Contractor shall, in accordance with the provisions of the Appendix to the Contract Agreement titled Insurance Requirements, deliver to the Employer certificates of insurance or copies of the insurance policies as evidence that the required policies are in full force and effect. The certificates shall provide that no less than twenty-one (21) days' notice shall be given to the Employer by insurers prior to cancellation or material modification of a policy.
- 34.4. The Contractor shall ensure that, where applicable, its Subcontractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless such Subcontractors are covered by the policies taken out by the Contractor.
- 34.5. The Employer shall at its expense take out and maintain in effect during the performance of the Contract those insurances specified in the Appendix to the Contract Agreement titled Insurance Requirements, in the sums and with the deductibles and other conditions specified in the said Appendix. The Contractor and the Contractor's Subcontractors shall be named as co-insureds under all such policies. All insurers' rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies. The Employer shall deliver to the Contractor satisfactory evidence that the required insurances are in full force and effect. The policies shall provide that not less than twenty-one (21) days' notice shall be given to the Contractor by all insurers prior to any cancellation or material modification of the policies. If so requested by the Contractor, the Employer shall provide

copies of the policies taken out by the Employer under this GCC Sub-Clause 34.5.

34.6. If the Contractor fails to take out and/or maintain in effect the insurances referred to in GCC Sub-Clause 34.1, the Employer may take out and maintain in effect any such insurances and may from time to time deduct from any amount due the Contractor under the Contract any premium that the Employer shall have paid to the insurer, or may otherwise recover such amount as a debt due from the Contractor. If the Employer fails to take out and/or maintain in effect the insurances referred to in GCC 34.5, the Contractor may take out and maintain in effect any such insurances and may from time to time deduct from any amount due the Employer under the Contract any premium that the Contractor shall have paid to the insurer, or may otherwise recover such amount as a debt due from the Employer. If the Contractor fails to or is unable to take out and maintain in effect any such insurances, the Contractor shall nevertheless have no liability or responsibility towards the Employer, and the Contractor shall have full recourse against the Employer for any and all liabilities of the Employer herein.

34.7. Unless otherwise provided in the Contract, the Contractor shall prepare and conduct all and any claims made under the policies effected by it pursuant to this GCC Clause 34, and all monies payable by any insurers shall be paid to the Contractor. The Employer shall give to the Contractor all such reasonable assistance as may be required by the Contractor. With respect to insurance claims in which the Employer's interest is involved, the Contractor shall not give any release or make any compromise with the insurer without the prior written consent of the Employer. With respect to insurance claims in which the Contractor's interest is involved, the Employer shall not give any release or make any compromise with the insurer without the prior written consent of the Contractor.

**35. Unforeseen  
Conditions**

35.1. If, during the execution of the Contract, the Contractor shall encounter on the Site any physical conditions other than climatic conditions, or artificial obstructions that could not have been reasonably foreseen prior to the date of the Contract Agreement by an experienced contractor on the basis of reasonable examination of the data relating to the Facilities including any data as to boring tests, provided by the Employer, and on the basis of information that it could have obtained from a visual inspection of the Site if access thereto was available, or other data readily available to it relating to the Facilities, and if the Contractor determines that it will in

consequence of such conditions or obstructions incur additional cost and expense or require additional time to perform its obligations under the Contract that would not have been required if such physical conditions or artificial obstructions had not been encountered, the Contractor shall promptly, and before performing additional work or using additional Plant or Contractor's Equipment, notify the Project Manager in writing of

- (a) the physical conditions or artificial obstructions on the Site that could not have been reasonably foreseen;
- (b) the additional work and/or Plant and/or Contractor's Equipment required, including the steps which the Contractor will or proposes to take to overcome such conditions or obstructions;
- (c) the extent of the anticipated delay; and
- (d) the additional cost and expense that the Contractor is likely to incur.

On receiving any notice from the Contractor under this GCC Sub-Clause 35.1, the Project Manager shall promptly consult with the Employer and Contractor and decide upon the actions to be taken to overcome the physical conditions or artificial obstructions encountered. Following such consultations, the Project Manager shall instruct the Contractor, with a copy to the Employer, of the actions to be taken.

- 35.2. Any reasonable additional cost and expense incurred by the Contractor in following the instructions from the Project Manager to overcome such physical conditions or artificial obstructions referred to in GCC Sub-Clause 35.1 shall be paid by the Employer to the Contractor as an addition to the Contract Price.

If the Contractor is delayed or impeded in the performance of the Contract because of any such physical conditions or artificial obstructions referred to in GCC Sub-Clause 35.1, the Time for Completion shall be extended in accordance with GCC Clause 40.



- 36. Change in Laws and Regulations**
- 36.1. If, after the date twenty-eight (28) days prior to the date of Bid submission, in the country where the Site is located, any law, regulation, ordinance, order or by-law having the force of law is enacted, promulgated, abrogated or changed which shall be deemed to include any change in interpretation or application by the competent authorities, that subsequently affects the costs and expenses of the Contractor and/or the Time for Completion, the Contract Price shall be correspondingly increased or decreased, and/or the Time for Completion shall be reasonably adjusted to the extent that the Contractor has thereby been affected in the performance of any of its obligations under the Contract. Notwithstanding the foregoing, such additional or reduced costs shall not be separately paid or credited if the same has already been accounted for in the price adjustment provisions where applicable, in accordance with the PCC pursuant to GCC Sub-Clause 11.2.
- 37. Force Majeure**
- 37.1. "Force Majeure" shall mean any event beyond the reasonable control of the Employer or of the Contractor, as the case may be, and which is unavoidable notwithstanding the reasonable care of the Party affected, and shall include, without limitation, the following:
- (a) war, hostilities or warlike operations whether a state of war be declared or not, invasion, act of foreign enemy and civil war
  - (b) rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion and terrorist acts
  - (c) confiscation, nationalization, mobilization, commandeering or requisition by or under the order of any government or de jure or de facto authority or ruler or any other act or failure to act of any local state or national government authority
  - (d) strike, sabotage, lockout, embargo, import restriction, port congestion, lack of usual means of public transportation and communication, industrial dispute, shipwreck, shortage or restriction of power supply, epidemics, quarantine and plague
  - (e) earthquake, landslide, volcanic activity, fire, flood or inundation, tidal wave, typhoon or cyclone, hurricane, storm, lightning, or other inclement weather condition, nuclear and pressure waves or other natural or physical disaster
  - (f) shortage of labor, materials or utilities where caused by circumstances that are themselves Force Majeure.

- 37.2. If either Party is prevented, hindered or delayed from or in performing any of its obligations under the Contract by an event of Force Majeure, then it shall notify the other in writing of the occurrence of such event and the circumstances thereof within fourteen (14) days after the occurrence of such event.
- 37.3. The Party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such Party's performance is prevented, hindered or delayed. The Time for Completion shall be extended in accordance with GCC Clause 40.
- 37.4. The Party or Parties affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect thereof upon its or their performance of the Contract and to fulfill its or their obligations under the Contract, but without prejudice to either Party's right to terminate the Contract under GCC Sub-Clauses 37.6 and 38.5.
- 37.5. No delay or nonperformance by either Party hereto caused by the occurrence of any event of Force Majeure shall
- (a) constitute a default or breach of the Contract, or
  - (b) give rise to any claim for damages or additional cost or expense occasioned thereby, subject to GCC Sub-Clauses 32.2, 38.3 and 38.4
- if and to the extent that such delay or nonperformance is caused by the occurrence of an event of Force Majeure.
- 37.6. If the performance of the Contract is substantially prevented, hindered or delayed for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of one or more events of Force Majeure during the currency of the Contract, the Parties will attempt to develop a mutually satisfactory solution, failing which either Party may terminate the Contract by giving a notice to the other, but without prejudice to either Party's right to terminate the Contract under GCC Sub-Clause 38.5.
- 37.7. In the event of termination pursuant to GCC Sub-Clause 37.6, the rights and obligations of the Employer and the Contractor shall be as specified in GCC Sub-Clauses 42.1.2 and 42.1.3.
- 37.8. Notwithstanding GCC Sub-Clause 37.5, Force Majeure shall not apply to any obligation of the Employer to make payments to the Contractor herein.

**38. War Risks**

38.1. "War Risks" shall mean any event specified in paragraphs (a) and (b) of GCC Sub-Clause 37.1 and any explosion or impact of any mine, bomb, shell, grenade or other projectile, missile, munitions or explosive of war, occurring or existing in or near the country (or countries) where the Site is located.

38.2. Notwithstanding anything contained in the Contract, the Contractor shall have no liability whatsoever for or with respect to

(a) destruction of or damage to Facilities, Plant, or any part thereof;

(b) destruction of or damage to property of the Employer or any third Party; or

(c) injury or loss of life

if such destruction, damage, injury or loss of life is caused by any War Risks, and the Employer shall indemnify and hold the Contractor harmless from and against any and all claims, liabilities, actions, lawsuits, damages, costs, charges or expenses arising in consequence of or in connection with the same.

38.3. If the Facilities or any Plant or Contractor's Equipment or any other property of the Contractor used or intended to be used for the purposes of the Facilities shall sustain destruction or damage by reason of any War Risks, the Employer shall pay the Contractor for

(a) any part of the Facilities or the Plant so destroyed or damaged to the extent not already paid for by the Employer

and so far as may be required by the Employer, and as may be necessary for completion of the Facilities

(b) replacing or making good any Contractor's Equipment or other property of the Contractor so destroyed or damaged

(c) replacing or making good any such destruction or damage to the Facilities or the Plant or any part thereof

If the Employer does not require the Contractor to replace or make good any such destruction or damage to the Facilities, the Employer shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the Facilities thereby destroyed or damaged or, where the loss, destruction or damage affects a substantial part of the Facilities, shall terminate the Contract, pursuant to GCC Sub-Clause 42.1.

If the Employer requires the Contractor to replace or make good on any such destruction or damage to the Facilities, the

Time for Completion shall be extended in accordance with GCC 40.

- 38.4. Notwithstanding anything contained in the Contract, the Employer shall pay the Contractor for any increased costs or incidentals to the execution of the Contract that are in any way attributable to, consequent on, resulting from, or in any way connected with any War Risks, provided that the Contractor shall as soon as practicable notify the Employer in writing of any such increased cost.
- 38.5. If during the performance of the Contract any War Risks shall occur that financially or otherwise materially affect the execution of the Contract by the Contractor, the Contractor shall use its reasonable efforts to execute the Contract with due and proper consideration given to the safety of its and its Subcontractors' personnel engaged in the work on the Facilities, provided, however, that if the execution of the work on the Facilities becomes impossible or is substantially prevented for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of any War Risks, the Parties will attempt to develop a mutually satisfactory solution, failing which either Party may terminate the Contract by giving a notice to the other.
- 38.6. In the event of termination pursuant to GCC Sub-Clauses 38.3 or 38.5, the rights and obligations of the Employer and the Contractor shall be specified in GCC Sub-Clauses 42.1.2 and 42.1.3.

**H. Change in Contract Elements**

**39. Change in the Facilities**

- 39.1. Introducing a Change
  - 39.1.1 Subject to GCC Sub-Clauses 39.2.5 and 39.2.7, the Employer shall have the right to propose, and subsequently require, that the Project Manager order the Contractor from time to time during the performance of the Contract to make any change, modification, addition or deletion to, in or from the Facilities hereinafter called "Change", provided that such Change falls within the general scope of the Facilities and does not constitute unrelated work and that it is technically practicable, taking into account both the state of advancement of the Facilities and the technical compatibility of the Change envisaged with the nature of the Facilities as specified in the Contract.
  - 39.1.2 Value Engineering: The Contractor may prepare, at its own cost, a value engineering proposal at any time

during the performance of the contract. The value engineering proposal shall, at a minimum, include the following;

- (a) the proposed change(s), and a description of the difference to the existing contract requirements;
- (b) a full cost/benefit analysis of the proposed change(s) including a description and estimate of costs (including life cycle costs) the Employer may incur in implementing the value engineering proposal; and
- (c) a description of any effect(s) of the change on performance/functionality.

The Employer may accept the value engineering proposal if the proposal demonstrates benefits that:

- (a) accelerates the delivery period; or
- (b) reduces the Contract Price or the life cycle costs to the Employer; or
- (c) improves the quality, efficiency, safety or sustainability of the Facilities; or
- (d) yields any other benefits to the Employer, without compromising the necessary functions of the Facilities.

If the value engineering proposal is approved by the Employer and results in:

- (a) a reduction of the Contract Price; the amount to be paid to the Contractor shall be the percentage specified in the PCC of the reduction in the Contract Price; or
- (b) an increase in the Contract Price; but results in a reduction in life cycle costs due to any benefit described in (a) to (d) above, the amount to be paid to the Contractor shall be the full increase in the Contract Price.

39.1.3 Notwithstanding GCC Sub-Clauses 39.1.1 and 39.1.2, no change made necessary because of any default of the Contractor in the performance of its obligations under the Contract shall be deemed to be a Change, and such change shall not result in any adjustment of the Contract Price or the Time for Completion.

39.1.4 The procedure on how to proceed with and execute Changes is specified in GCC Sub-Clauses 39.2 and 39.3, and further details and forms are provided in the Employer's Requirements (Forms and Procedures).

## 39.2. Changes Originating from Employer

- 39.2.1 If the Employer proposes a Change pursuant to GCC Sub-Clause 39.1.1, it shall send to the Contractor a “Request for Change Proposal,” requiring the Contractor to prepare and furnish to the Project Manager as soon as reasonably practicable a “Change Proposal,” which shall include the following:
- (a) brief description of the Change
  - (b) effect on the Time for Completion
  - (c) estimated cost of the Change
  - (d) effect on Functional Guarantees (if any)
  - (e) effect on the Facilities
  - (f) effect on any other provisions of the Contract.
- 39.2.2 Prior to preparing and submitting the “Change Proposal,” the Contractor shall submit to the Project Manager an “Estimate for Change Proposal,” which shall be an estimate of the cost of preparing and submitting the Change Proposal. Upon receipt of the Contractor’s Estimate for Change Proposal, the Employer shall do one of the following:
- (a) accept the Contractor’s estimate with instructions to the Contractor to proceed with the preparation of the Change Proposal
  - (b) advise the Contractor of any part of its Estimate for Change Proposal that is unacceptable and request the Contractor to review its estimate
  - (c) advise the Contractor that the Employer does not intend to proceed with the Change.
- 39.2.3 Upon receipt of the Employer’s instruction to proceed under GCC Sub-Clause 39.2.2 (a), the Contractor shall, with proper expedition, proceed with the preparation of the Change Proposal, in accordance with GCC Sub-Clause 39.2.1.
- 39.2.4 The pricing of any Change shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If such rates and prices are inequitable, the Parties thereto shall agree on specific rates for the valuation of the Change.
- 39.2.5 If before or during the preparation of the Change Proposal it becomes apparent that the aggregate effect of compliance therewith and with all other Change Orders that have already become binding upon the Contractor under this GCC Clause 39 would be to increase or decrease the Contract Price as originally set forth in Article 2 (Contract Price) of the Contract Agreement by more than fifteen percent (15%), the

Contractor may give a written notice of objection thereto prior to furnishing the Change Proposal as aforesaid. If the Employer accepts the Contractor's objection, the Employer shall withdraw the proposed Change and shall notify the Contractor in writing thereof.

The Contractor's failure to so object shall neither affect its right to object to any subsequent requested Changes or Change Orders herein, nor affect its right to take into account, when making such subsequent objection, the percentage increase or decrease in the Contract Price that any Change not objected to by the Contractor represents.

39.2.6 Upon receipt of the Change Proposal, the Employer and the Contractor shall mutually agree upon all matters therein contained. Within fourteen (14) days after such agreement, the Employer shall, if it intends to proceed with the Change, issue the Contractor with a Change Order.

If the Employer is unable to reach a decision within fourteen (14) days, it shall notify the Contractor with details of when the Contractor can expect a decision. If the Employer decides not to proceed with the Change for whatever reason, it shall, within the said period of fourteen (14) days, notify the Contractor accordingly. Under such circumstances, the Contractor shall be entitled to reimbursement of all costs reasonably incurred by it in the preparation of the Change Proposal, provided that these do not exceed the amount given by the Contractor in its Estimate for Change Proposal submitted in accordance with GCC Sub-Clause 39.2.2.

39.2.7 If the Employer and the Contractor cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Completion, or any other matters identified in the Change Proposal, the Employer may nevertheless instruct the Contractor to proceed with the Change by issue of a "Pending Agreement Change Order."

Upon receipt of a Pending Agreement Change Order, the Contractor shall immediately proceed with effecting the Changes covered by such Order. The Parties shall thereafter attempt to reach agreement on the outstanding issues under the Change Proposal.

If the Parties cannot reach agreement within sixty (60) days from the date of issue of the Pending Agreement Change Order, then the matter may be referred to the Dispute Board in accordance with the provisions of GCC Sub-Clause 46.1.

**39.3. Changes Originating from Contractor**

39.3.1 If the Contractor proposes a Change pursuant to GCC Sub-Clause 39.1.2, the Contractor shall submit to the Project Manager a written "Application for Change Proposal," giving reasons for the proposed Change and including the information specified in GCC Sub-Clause 39.1.2.

Upon receipt of the Application for Change Proposal, the Parties shall follow the procedures outlined in GCC Sub-Clauses 39.2.6 and 39.2.7. However, the Contractor shall not be entitled to recover the costs of preparing the Application for Change Proposal.

**40. Extension of Time for Completion**

40.1. The Time(s) for Completion specified in the PCC pursuant to GCC Sub-Clause 8.2 shall be extended if the Contractor is delayed or impeded in the performance of any of its obligations under the Contract by reason of any of the following:

- (a) any Change in the Facilities as provided in GCC Clause 39
- (b) any occurrence of Force Majeure as provided in GCC Clause 37, unforeseen conditions as provided in GCC Clause 35, or other occurrence of any of the matters specified or referred to in paragraphs (a), (b) and (c) of GCC Sub-Clause 32.2
- (c) any suspension order given by the Employer under GCC Clause 41 hereof or reduction in the rate of progress pursuant to GCC Sub-Clause 41.2 or
- (d) any changes in laws and regulations as provided in GCC Clause 36 or
- (e) any default or breach of the Contract by the Employer, Appendix to the Contract Agreement titled ,or any activity, act or omission of the Employer, or the Project Manager, or any other contractors employed by the Employer, or
- (f) any delay on the part of a Subcontractor, provided such delay is due to a cause for which the Contractor himself would have been entitled to an extension of time under this sub-clause, or
- (g) delays attributable to the Employer or caused by customs, or
- (h) any other matter specifically mentioned in the Contract



by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Contractor.

- 40.2. Except where otherwise specifically provided in the Contract, the Contractor shall submit to the Project Manager a notice of a claim for an extension of the Time for Completion, together with particulars of the event or circumstance justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. As soon as reasonably practicable after receipt of such notice and supporting particulars of the claim, the Employer and the Contractor shall agree upon the period of such extension. In the event that the Contractor does not accept the Employer's estimate of a fair and reasonable time extension, the Contractor shall be entitled to refer the matter to a Dispute Board, pursuant to GCC Sub-Clause 46.1.
- 40.3. The Contractor shall at all times use its reasonable efforts to minimize any delay in the performance of its obligations under the Contract.
- 40.4. In all cases where the Contractor has given a notice of a claim for an extension of time under GCC 40.2, the Contractor shall consult with the Project Manager in order to determine the steps (if any) which can be taken to overcome or minimize the actual or anticipated delay. The Contractor shall there after comply with all reasonable instructions which the Project Manager shall give in order to minimize such delay. If compliance with such instructions shall cause the Contractor to incur extra costs and the Contractor is entitled to an extension of time under GCC 40.1, the amount of such extra costs shall be added to the Contract Price.

#### **41. Suspension**

- 41.1. The Employer may request the Project Manager, by notice to the Contractor, to order the Contractor to suspend performance of any or all of its obligations under the Contract. Such notice shall specify the obligation of which performance is to be suspended, the effective date of the suspension and the reasons therefor. The Contractor shall thereupon suspend performance of such obligation, except those obligations necessary for the care or preservation of the Facilities, until ordered in writing to resume such performance by the Project Manager.

If, by virtue of a suspension order given by the Project Manager, other than by reason of the Contractor's default or breach of the Contract, the Contractor's performance of any of its obligations is suspended for an aggregate period of more than ninety (90) days, then at any time thereafter and

provided that at that time such performance is still suspended, the Contractor may give a notice to the Project Manager requiring that the Employer shall, within twenty-eight (28) days of receipt of the notice, order the resumption of such performance or request and subsequently order a change in accordance with GCC Clause 39, excluding the performance of the suspended obligations from the Contract. If the Employer fails to do so within such period, the Contractor may, by a further notice to the Project Manager, elect to treat the suspension, where it affects a part only of the Facilities, as a deletion of such part in accordance with GCC Clause 39 or, where it affects the whole of the Facilities, as termination of the Contract under GCC Sub-Clause 42.1.

41.2. If

- (a) the Employer has failed to pay the Contractor any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause pursuant to the Appendix to the Contract Agreement titled Terms and Procedures of Payment, or commits a substantial breach of the Contract, the Contractor may give a notice to the Employer that requires payment of such sum, with interest thereon as stipulated in GCC Sub-Clause 12.3, requires approval of such invoice or supporting documents, or specifies the breach and requires the Employer to remedy the same, as the case may be. If the Employer fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, or fails to remedy the breach or take steps to remedy the breach within fourteen (14) days after receipt of the Contractor's notice or
- (b) the Contractor is unable to carry out any of its obligations under the Contract for any reason attributable to the Employer, including but not limited to the Employer's failure to provide possession of or access to the Site or other areas in accordance with GCC Sub-Clause 10.2, or failure to obtain any governmental permit necessary for the execution and/or completion of the Facilities, then the Contractor may by fourteen (14) days' notice to the Employer suspend performance of all or any of its obligations under the Contract, or reduce the rate of progress.

41.3. If the Contractor's performance of its obligations is suspended or the rate of progress is reduced pursuant to this

GCC Clause 41, then the Time for Completion shall be extended in accordance with GCC Sub-Clause 40.1, and any and all additional costs or expenses incurred by the Contractor as a result of such suspension or reduction shall be paid by the Employer to the Contractor in addition to the Contract Price, except in the case of suspension order or reduction in the rate of progress by reason of the Contractor's default or breach of the Contract.

41.4. During the period of suspension, the Contractor shall not remove from the Site any Plant, any part of the Facilities or any Contractor's Equipment, without the prior written consent of the Employer.

## 42. Termination

### 42.1. Termination for Employer's Convenience

42.1.1 The Employer may at any time terminate the Contract for any reason by giving the Contractor a notice of termination that refers to this GCC Sub-Clause 42.1.

42.1.2 Upon receipt of the notice of termination under GCC Sub-Clause 42.1.1, the Contractor shall either immediately or upon the date specified in the notice of termination

- (a) cease all further work, except for such work as the Employer may specify in the notice of termination for the sole purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition
- (b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) (ii) below
- (c) remove all Contractor's Equipment from the Site, repatriate the Contractor's and its Subcontractors' personnel from the Site, remove from the Site any wreckage, rubbish and debris of any kind, and leave the whole of the Site in a clean and safe condition, and
- (d) subject to the payment specified in GCC Sub-Clause 42.1.3,
  - (i) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
  - (ii) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant as of the date of termination, and, as may be required by the Employer, in any

- (iii) subcontracts concluded between the Contractor and its Subcontractors; and deliver to the Employer all non-proprietary drawings, specifications and other documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Facilities.

42.1.3 In the event of termination of the Contract under GCC Sub-Clause 42.1.1, the Employer shall pay to the Contractor the following amounts:

- (a) the Contract Price, properly attributable to the parts of the Facilities executed by the Contractor as of the date of termination
- (b) the costs reasonably incurred by the Contractor in the removal of the Contractor's Equipment from the Site and in the repatriation of the Contractor's and its Subcontractors' personnel
- (c) any amounts to be paid by the Contractor to its Subcontractors in connection with the termination of any subcontracts, including any cancellation charges
- (d) costs incurred by the Contractor in protecting the Facilities and leaving the Site in a clean and safe condition pursuant to paragraph (a) of GCC Sub-Clause 42.1.2
- (e) the cost of satisfying all other obligations, commitments and claims that the Contractor may in good faith have undertaken with third Parties in connection with the Contract and that are not covered by paragraphs (a) through (d) above.

#### 42.2. Termination for Contractor's Default

42.2.1 The Employer, without prejudice to any other rights or remedies it may possess, may terminate the Contract forthwith in the following circumstances by giving a notice of termination and its reasons therefor to the Contractor, referring to this GCC Sub-Clause 42.2:

- (a) if the Contractor becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, if the Contractor is a corporation, a resolution is passed or order is made for its winding up, other than a voluntary liquidation for the purposes of amalgamation or reconstruction, a receiver is appointed over any part of its undertaking or

- assets, or if the Contractor takes or suffers any other analogous action in consequence of debt
    - (b) if the Contractor assigns or transfers the Contract or any right or interest therein in violation of the provision of GCC Clause 43.
    - (c) if the Contractor, in the judgment of the Employer has engaged in Fraud and Corruption, as defined in paragraph 2.2 a. of Appendix B to the GCC, in competing for or in executing the Contract.
  - 42.2.2 If the Contractor
    - (a) has abandoned or repudiated the Contract
    - (b) has without valid reason failed to commence work on the Facilities promptly or has suspended, other than pursuant to GCC Sub-Clause 41.2, the progress of Contract performance for more than twenty-eight (28) days after receiving a written instruction from the Employer to proceed
    - (c) persistently fails to execute the Contract in accordance with the Contract or persistently neglects to carry out its obligations under the Contract without just cause
    - (d) refuses or is unable to provide sufficient materials, services or labor to execute and complete the Facilities in the manner specified in the program furnished under GCC Sub-Clause 18.2 at rates of progress that give reasonable assurance to the Employer that the Contractor can attain Completion of the Facilities by the Time for Completion as extended,then the Employer may, without prejudice to any other rights it may possess under the Contract, give a notice to the Contractor stating the nature of the default and requiring the Contractor to remedy the same. If the Contractor fails to remedy or to take steps to remedy the same within fourteen (14) days of its receipt of such notice, then the Employer may terminate the Contract forthwith by giving a notice of termination to the Contractor that refers to this GCC Sub-Clause 42.2.
  - 42.2.3 Upon receipt of the notice of termination under GCC Sub-Clauses 42.2.1 or 42.2.2, the Contractor shall, either immediately or upon such date as is specified in the notice of termination,
    - (a) cease all further work, except for such work as the Employer may specify in the notice of termination

- for the sole purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition
- (b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) below
  - (c) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
  - (d) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant as of the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors
  - (e) deliver to the Employer all drawings, specifications and other documents prepared by the Contractor or its Subcontractors as of the date of termination in connection with the Facilities.

42.2.4 The Employer may enter upon the Site, expel the Contractor, and complete the Facilities itself or by employing any third Party. The Employer may, to the exclusion of any right of the Contractor over the same, take over and use with the payment of a fair rental rate to the Contractor, with all the maintenance costs to the account of the Employer and with an indemnification by the Employer for all liability including damage or injury to persons arising out of the Employer's use of such equipment, any Contractor's Equipment owned by the Contractor and on the Site in connection with the Facilities for such reasonable period as the Employer considers expedient for the supply and installation of the Facilities.

Upon completion of the Facilities or at such earlier date as the Employer thinks appropriate, the Employer shall give notice to the Contractor that such Contractor's Equipment will be returned to the Contractor at or near the Site and shall return such Contractor's Equipment to the Contractor in accordance with such notice. The Contractor shall thereafter without delay and at its cost remove or arrange removal of the same from the Site.

42.2.5 Subject to GCC Sub-Clause 42.2.6, the Contractor shall be entitled to be paid the Contract Price attributable to the Facilities executed as of the date of termination, the value of any unused or partially used

Plant on the Site, and the costs, if any, incurred in protecting the Facilities and in leaving the Site in a clean and safe condition pursuant to paragraph (a) of GCC Sub-Clause 42.2.3. Any sums due the Employer from the Contractor accruing prior to the date of termination shall be deducted from the amount to be paid to the Contractor under this Contract.

42.2.6 If the Employer completes the Facilities, the cost of completing the Facilities by the Employer shall be determined.

If the sum that the Contractor is entitled to be paid, pursuant to GCC Sub-Clause 42.2.5, plus the reasonable costs incurred by the Employer in completing the Facilities, exceeds the Contract Price, the Contractor shall be liable for such excess.

If such excess is greater than the sums due the Contractor under GCC Sub-Clause 42.2.5, the Contractor shall pay the balance to the Employer, and if such excess is less than the sums due the Contractor under GCC Sub-Clause 42.2.5, the Employer shall pay the balance to the Contractor.

The Employer and the Contractor shall agree, in writing, on the computation described above and the manner in which any sums shall be paid.

42.3. Termination by the Contractor

42.3.1 If

- (a) the Employer has failed to pay the Contractor any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause pursuant to the Appendix to the Contract Agreement titled Terms and Procedures of Payment, or commits a substantial breach of the Contract, the Contractor may give a notice to the Employer that requires payment of such sum, with interest thereon as stipulated in GCC Sub-Clause 12.3, requires approval of such invoice or supporting documents, or specifies the breach and requires the Employer to remedy the same, as the case may be. If the Employer fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, fails to remedy the breach or take steps to

remedy the breach within fourteen (14) days after receipt of the Contractor's notice, or

- (b) the Contractor is unable to carry out any of its obligations under the Contract for any reason attributable to the Employer, including but not limited to the Employer's failure to provide possession of or access to the Site or other areas or failure to obtain any governmental permit necessary for the execution and/or completion of the Facilities,

then the Contractor may give a notice to the Employer thereof, and if the Employer has failed to pay the outstanding sum, to approve the invoice or supporting documents, to give its reasons for withholding such approval, or to remedy the breach within twenty-eight (28) days of such notice, or if the Contractor is still unable to carry out any of its obligations under the Contract for any reason attributable to the Employer within twenty-eight (28) days of the said notice, the Contractor may by a further notice to the Employer referring to this GCC Sub-Clause 42.3.1, forthwith terminate the Contract.

42.3.2 The Contractor may terminate the Contract forthwith by giving a notice to the Employer to that effect, referring to this GCC Sub-Clause 42.3.2, if the Employer becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, being a corporation, if a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Employer takes or suffers any other analogous action in consequence of debt.

42.3.3 If the Contract is terminated under GCC Sub-Clauses 42.3.1 or 42.3.2, then the Contractor shall immediately

- (a) cease all further work, except for such work as may be necessary for the purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition
- (b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) (ii)



- (c) remove all Contractor's Equipment from the Site and repatriate the Contractor's and its Subcontractors' personnel from the Site, and
- (d) subject to the payment specified in GCC Sub-Clause 42.3.4,
  - (i) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
  - (ii) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant as of the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors, and
  - (iii) deliver to the Employer all drawings, specifications and other documents prepared by the Contractor or its Subcontractors as of the date of termination in connection with the Facilities.

42.3.4 If the Contract is terminated under GCC Sub-Clauses 42.3.1 or 42.3.2, the Employer shall pay to the Contractor all payments specified in GCC Sub-Clause 42.1.3, and reasonable compensation for all loss, except for loss of profit, or damage sustained by the Contractor arising out of, in connection with or in consequence of such termination.

42.3.5 Termination by the Contractor pursuant to this GCC Sub-Clause 42.3 is without prejudice to any other rights or remedies of the Contractor that may be exercised in lieu of or in addition to rights conferred by GCC Sub-Clause 42.3.

42.4. In this GCC Clause 42, the expression "Facilities executed" shall include all work executed, Installation Services provided, and all Plant acquired, or subject to a legally binding obligation to purchase, by the Contractor and used or intended to be used for the purpose of the Facilities, up to and including the date of termination.

42.5. In this GCC Clause 42, in calculating any monies due from the Employer to the Contractor, account shall be taken of any sum previously paid by the Employer to the Contractor under the Contract, including any advance payment paid pursuant to the Appendix to the Contract Agreement titled Terms and Procedures of Payment.

**43. Assignment** 43.1. Neither the Employer nor the Contractor shall, without the express prior written consent of the other Party, which consent shall not be unreasonably withheld, assign to any third Party the Contract or any part thereof, or any right, benefit, obligation or interest therein or thereunder, except that the Contractor shall be entitled to assign either absolutely or by way of charge any monies due and payable to it or that may become due and payable to it under the Contract.

**44. Export Restrictions** 44.1. Notwithstanding any obligation under the Contract to complete all export formalities, any export restrictions attributable to the Employer, to the country of the Employer or to the use of the Plant and Installation Services to be supplied which arise from trade regulations from a country supplying those Plant and Installation Services, and which substantially impede the Contractor from meeting its obligations under the Contract, shall release the Contractor from the obligation to provide deliveries or services, always provided, however, that the Contractor can demonstrate to the satisfaction of the Employer and of the Bank that it has completed all formalities in a timely manner, including applying for permits, authorizations and licenses necessary for the export of the Plant and Installation Services under the terms of the Contract. Termination of the Contract on this basis shall be for the Employer’s convenience pursuant to Sub-Clause 42.1.

**I. Claims, Disputes and Arbitration**

**45. Contractor’s Claims** 45.1. If the Contractor considers himself to be entitled to any extension of the Time for Completion and/or any additional payment, under any Clause of these Conditions or otherwise in connection with the Contract, the Contractor shall submit a notice to the Project Manager, describing the event or circumstance giving rise to the claim. The notice shall be given as soon as practicable, and not later than 28 days after the Contractor became aware, or should have become aware, of the event or circumstance.

If the Contractor fails to give notice of a claim within such period of 28 days, the Time for Completion shall not be extended, the Contractor shall not be entitled to additional payment, and the Employer shall be discharged from all liability in connection with the claim. Otherwise, the following provisions of this Sub-Clause shall apply.

The Contractor shall also submit any other notices which are required by the Contract, and supporting particulars for the claim, all as relevant to such event or circumstance.

The Contractor shall keep such contemporary records as may be necessary to substantiate any claim, either on the Site or at another location acceptable to the Project Manager. Without admitting the Employer's liability, the Project Manager may, after receiving any notice under this Sub-Clause, monitor the record-keeping and/or instruct the Contractor to keep further contemporary records. The Contractor shall permit the Project Manager to inspect all these records, and shall (if instructed) submit copies to the Project Manager.

Within 42 days after the Contractor became aware (or should have become aware) of the event or circumstance giving rise to the claim, or within such other period as may be proposed by the Contractor and approved by the Project Manager, the Contractor shall send to the Project Manager a fully detailed claim which includes full supporting particulars of the basis of the claim and of the extension of time and/or additional payment claimed. If the event or circumstance giving rise to the claim has a continuing effect:

- (a) this fully detailed claim shall be considered as interim;
- (b) the Contractor shall send further interim claims at monthly intervals, giving the accumulated delay and/or amount claimed, and such further particulars as the Project Manager may reasonably require; and
- (c) the Contractor shall send a final claim within 28 days after the end of the effects resulting from the event or circumstance, or within such other period as may be proposed by the Contractor and approved by the Project Manager.

Within 42 days after receiving a claim or any further particulars supporting a previous claim, or within such other period as may be proposed by the Project Manager and approved by the Contractor, the Project Manager shall respond with approval, or with disapproval and detailed comments. He may also request any necessary further particulars, but shall nevertheless give his response on the principles of the claim within such time.

Each Payment Certificate shall include such amounts for any claim as have been reasonably substantiated as due under the relevant provision of the Contract. Unless and until the particulars supplied are sufficient to substantiate the whole of the claim, the Contractor shall only be entitled to payment for such part of the claim as he has been able to substantiate.

The Project Manager shall agree with the Contractor or estimate: (i) the extension (if any) of the Time for Completion

(before or after its expiry) in accordance with GCC Clause 40, and/or (ii) the additional payment (if any) to which the Contractor is entitled under the Contract.

The requirements of this Sub-Clause are in addition to those of any other Sub-Clause which may apply to a claim. If the Contractor fails to comply with this or another Sub-Clause in relation to any claim, any extension of time and/or additional payment shall take account of the extent (if any) to which the failure has prevented or prejudiced proper investigation of the claim, unless the claim is excluded under the second paragraph of this Sub-Clause.

In the event that the Contractor and the Employer cannot agree on any matter relating to a claim, either Party may refer the matter to the Dispute Board pursuant to GCC 46 hereof.

**46. Disputes and Arbitration**

**46.1. Appointment of the Dispute Board**

Disputes shall be referred to a DB for decision in accordance with GCC Sub-Clause 46.3. The Parties shall appoint a DB by the date stated in the PCC.

The DB shall comprise, as stated in the PCC, either one or three suitably qualified persons (“the members”), each of whom shall meet the criteria set forth in Sub-Clause 3 of Appendix A- General Conditions of Dispute Board Agreement.. If the number is not so stated and the Parties do not agree otherwise, the DB shall comprise three persons, one of whom shall serve as chairman.

If the Contract is with a foreign Contractor, the DB members shall not have the same nationality as the Employer or the Contractor.

If the Parties have not jointly appointed the DB 21 days before the date stated in the PCC and the DB is to comprise three persons, each Party shall nominate one member for the approval of the other Party. The first two members shall recommend and the Parties shall agree upon the third member, who shall act as chairman.

However, if a list of potential members is included in the PCC, the members shall be selected from those on the list, other than anyone who is unable or unwilling to accept appointment to the DB.

The agreement between the Parties and either the sole member or each of the three members shall incorporate by reference the General Conditions of Dispute Board Agreement contained in the Appendix to these General Conditions, with such amendments as are agreed between them.

The DB shall be deemed to be constituted on the date the Parties and the sole member or the three members (as the case may be) of the DB have all signed a DB agreement.

The terms of the remuneration of either the sole member or each of the three members, including the remuneration of any expert whom the DB consults, shall be mutually agreed upon by the Parties when agreeing the terms of appointment of the member or such expert (as the case may be). Each Party shall be responsible for paying one-half of this remuneration.

If a member declines to act or is unable to act as a result of death, disability, resignation or termination of appointment, a replacement shall be appointed in the same manner as the replaced person was required to have been nominated or agreed upon, as described in this Sub-Clause.

The appointment of any member may be terminated by mutual agreement of both Parties, but not by the Employer or the Contractor acting alone. Unless otherwise agreed by both Parties, the appointment of the DB (including each member) shall expire when the Operational Acceptance Certificate has been issued in accordance with GCC Sub-Clause 25.3.

46.2. Failure to Agree on the Composition of the Dispute Board

If any of the following conditions apply, namely:

- (a) the Parties fail to agree upon the appointment of the sole member of the DB by the date stated in the first paragraph of GCC Sub-Clause 46.1,
- (b) either Party fails to nominate a member (for approval by the other Party) of a DB of three persons by such date,
- (c) the Parties fail to agree upon the appointment of the third member (to act as chairman) of the DB by such date, or
- (d) the Parties fail to agree upon the appointment of a replacement person within 42 days after the date on which the sole member or one of the three members declines to act or is unable to act as a result of death, disability, resignation or termination of appointment, then the appointing entity or official **named in the PCC** shall, upon the request of either or both of the Parties and after due consultation with both Parties, appoint this member of the DB. This appointment shall be final and conclusive. Each Party shall be responsible for paying one-half of the remuneration of the appointing entity or official.

46.3. Obtaining Dispute Board's Decision

If a dispute (of any kind whatsoever) arises between the Parties in connection with the performance of the Contract,

including any dispute as to any certificate, determination, instruction, opinion or valuation of the Project Manager, either Party may refer the dispute in writing to the DB for its decision, with copies to the other Party and the Project Manager. Such reference shall state that it is given under this Sub-Clause.

For a DB of three persons, the DB shall be deemed to have received such reference on the date when it is received by the chairman of the DB.

Both Parties shall promptly make available to the DB all such additional information, further access to the Site, and appropriate facilities, as the DB may require for the purposes of making a decision on such dispute. The DB shall be deemed to be not acting as arbitrator(s).

Within 84 days after receiving such reference, or within such other period as may be proposed by the DB and approved by both Parties, the DB shall give its decision, which shall be reasoned and shall state that it is given under this Sub-Clause. The decision shall be binding on both Parties, who shall promptly give effect to it unless and until it shall be revised in an amicable settlement or an arbitral award as described below. Unless the Contract has already been abandoned, repudiated or terminated, the Contractor shall continue with the performance of the Facilities in accordance with the Contract.

If either Party is dissatisfied with the DB's decision, then either Party may, within 28 days after receiving the decision, give notice to the other Party of its dissatisfaction and intention to commence arbitration. If the DB fails to give its decision within the period of 84 days (or as otherwise approved) after receiving such reference, then either Party may, within 28 days after this period has expired, give notice to the other Party of its dissatisfaction and intention to commence arbitration.

In either event, this notice of dissatisfaction shall state that it is given under this Sub-Clause, and shall set out the matter in dispute and the reason(s) for dissatisfaction. Except as stated in GCC Sub-Clauses 46.6 and 46.7, neither Party shall be entitled to commence arbitration of a dispute unless a notice of dissatisfaction has been given in accordance with this Sub-Clause.

If the DB has given its decision as to a matter in dispute to both Parties, and no notice of dissatisfaction has been given by either Party within 28 days after it received the DB's

decision, then the decision shall become final and binding upon both Parties.

46.4. Amicable Settlement

Where notice of dissatisfaction has been given under GCC Sub-Clause 46.3 above, both Parties shall attempt to settle the dispute amicably before the commencement of arbitration. However, unless both Parties agree otherwise, arbitration may be commenced on or after the fifty-sixth day after the day on which notice of dissatisfaction and intention to commence arbitration was given, even if no attempt at amicable settlement has been made.

46.5. Arbitration

Unless **indicated otherwise in the PCC**, any dispute not settled amicably and in respect of which the DB's decision (if any) has not become final and binding shall be finally settled by arbitration. Unless otherwise agreed by both Parties, arbitration shall be conducted as follows:

(a) For contracts with foreign contractors:

**unless otherwise specified in the PCC**; the dispute shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce; by one or three arbitrators appointed in accordance with these Rules.

The place of arbitration shall be the neutral location

**stated in the PCC**; and the arbitration shall be conducted in the ruling language **stated in the PCC**;

and

(b) For contracts with domestic contractors, arbitration with proceedings conducted in accordance with the laws of the Employer's Country.

The arbitrator(s) shall have full power to open up, review and revise any certificate, determination, instruction, opinion or valuation of the Project Manager, and any decision of the DB, relevant to the dispute. Nothing shall disqualify the Project Manager from being called as a witness and giving evidence before the arbitrator(s) on any matter whatsoever relevant to the dispute.

Neither Party shall be limited in the proceedings before the arbitrator(s) to the evidence or arguments previously put before the DB to obtain its decision, or to the reasons for dissatisfaction given in its notice of dissatisfaction. Any decision of the DB shall be admissible in evidence in the arbitration.

Arbitration may be commenced prior to or after completion of the Facilities. The obligations of the Parties, the Project

Manager and the DB shall not be altered by reason of any arbitration being conducted during the progress of the execution of the Facilities.

46.6. Failure to Comply with Dispute Board's Decision

In the event that a Party fails to comply with a DB decision which has become final and binding, then the other Party may, without prejudice to any other rights it may have, refer the failure itself to arbitration under GCC Sub-Clause 46.5. GCC Sub-Clauses 46.3 and 46.4 shall not apply to this reference.

46.7. Expiry of Dispute Board's Appointment

If a dispute arises between the Parties in connection with the performance of the Contract, and there is no DB in place, whether by reason of the expiry of the DB's appointment or otherwise:

- (a) GCC Sub-Clauses 46.3 and 46.4 shall not apply, and
- (b) the dispute may be referred directly to arbitration under GCC Sub-Clause 46.5

## **APPENDIX A**

### **General Conditions of Dispute Board Agreement**



1. Definitions

Each “Dispute Board Agreement” is a tripartite agreement by and between:

the “Employer”;

the “Contractor”; and

the “Member” who is defined in the Dispute Board Agreement as being:

- (i) the sole member of the “DB” and, where this is the case, all references to the “Other Members” do not apply, or
- (ii) one of the three persons who are jointly called the “DB” (or “dispute board”) and, where this is the case, the other two persons are called the “Other Members”.

The Employer and the Contractor have entered (or intend to enter) into a contract, which is called the “Contract” and is defined in the Dispute Board Agreement, which incorporates this Appendix. In the Dispute Board Agreement, words and expressions which are not otherwise defined shall have the meanings assigned to them in the Contract.

2. General Provisions

Unless otherwise stated in the Dispute Board Agreement, it shall take effect on the latest of the following dates:

- (a) the Commencement Date defined in the Contract,
- (b) when the Employer, the Contractor and the Member have each signed the Dispute Board Agreement, or
- (c) when the Employer, the Contractor and each of the Other Members (if any) have respectively each signed a dispute board agreement.

This employment of the Member is a personal appointment. At any time, the Member may give not less than 70 days’ notice of resignation to the Employer and to the Contractor, and the Dispute Board Agreement shall terminate upon the expiry of this period.

3. Warranties

The Member warrants and agrees that he/she is and shall be impartial and independent of the Employer, the Contractor and the Project Manager. The Member shall promptly disclose, to each of them and to the Other Members (if any), any fact or circumstance which might appear inconsistent with his/her warranty and agreement of impartiality and independence.

- a) When appointing the Member, the Employer and the Contractor relied upon the Member's representations that he/she is/has at least a bachelor's degree in relevant disciplines such as law, engineering, construction management or contract management;
- b) has at least ten years of experience in contract administration/management and dispute resolution, out of which at least five years of experience as an arbitrator or adjudicator in construction-related disputes;
- c) has received formal training as an adjudicator from an internationally recognized organization;
- d) has experience and/or is knowledgeable in the type of work which the Contractor is to carry out under the Contract;
- e) has experience in the interpretation of construction and/or engineering contract documents; and
- f) is fluent in the language for communications defined in GCC Sub-Clause 5.3 (or the language as agreed between the Parties and the DB).

#### 4. General Obligations of the Member

The Member shall:

- (a) have no interest financial or otherwise in the Employer, the Contractor or the Project Manager, nor any financial interest in the Contract except for payment under the Dispute Board Agreement;
- (b) not previously have been employed as a consultant or otherwise by the Employer, the Contractor or the Project Manager, except in such circumstances as were disclosed in writing to the Employer and the Contractor before they signed the Dispute Board Agreement;
- (c) have disclosed in writing to the Employer, the Contractor and the Other Members (if any), before entering into the Dispute Board Agreement and to his/her best knowledge and recollection, any professional or personal relationships with any director, officer or employee of the Employer, the Contractor or the Project Manager, and any previous involvement in the overall project of which the Contract forms part;
- (d) not, for the duration of the Dispute Board Agreement, be employed as a consultant or otherwise by the Employer, the Contractor or the Project Manager, except as may be agreed in writing by the Employer, the Contractor and the Other Members (if any);
- (e) comply with the annexed procedural rules and with GCC Sub-Clause 46.3;
- (f) not give advice to the Employer, the Contractor, the Employer's Personnel or the Contractor's Personnel concerning the conduct of the Contract, other than in accordance with the annexed procedural rules;

- (g) not while a Member enter into discussions or make any agreement with the Employer, the Contractor or the Project Manager regarding employment by any of them, whether as a consultant or otherwise, after ceasing to act under the Dispute Board Agreement;
- (h) ensure his/her availability for all site visits and hearings as are necessary;
- (i) become conversant with the Contract and with the progress of the Facilities (and of any other parts of the project of which the Contract forms part) by studying all documents received which shall be maintained in a current working file;
- (j) treat the details of the Contract and all the DB's activities and hearings as private and confidential, and not publish or disclose them without the prior written consent of the Employer, the Contractor and the Other Members (if any); and
- (k) be available to give advice and opinions, on any matter relevant to the Contract when requested by both the Employer and the Contractor, subject to the agreement of the Other Members (if any).

5. General Obligations of the Employer and the Contractor

The Employer, the Contractor, the Employer's Personnel and the Contractor's Personnel shall not request advice from or consultation with the Member regarding the Contract, otherwise than in the normal course of the DB's activities under the Contract and the Dispute Board Agreement. The Employer and the Contractor shall be responsible for compliance with this provision, by the Employer's Personnel and the Contractor's Personnel respectively.

The Employer and the Contractor undertake to each other and to the Member that the Member shall not, except as otherwise agreed in writing by the Employer, the Contractor, the Member and the Other Members (if any):

- (a) be appointed as an arbitrator in any arbitration under the Contract;
- (b) be called as a witness to give evidence concerning any dispute before arbitrator(s) appointed for any arbitration under the Contract; or
- (c) be liable for any claims for anything done or omitted in the discharge or purported discharge of the Member's functions, unless the act or omission is shown to have been in bad faith.

The Employer and the Contractor hereby jointly and severally indemnify and hold the Member harmless against and from claims from which he is relieved from liability under the preceding paragraph.

Whenever the Employer or the Contractor refers a dispute to the DB under GCC Sub-Clause 46.3, which will require the Member to make a site visit and attend a hearing, the

Employer or the Contractor shall provide appropriate security for a sum equivalent to the reasonable expenses to be incurred by the Member. No account shall be taken of any other payments due or paid to the Member.

## 6. Payment

The Member shall be paid as follows, in the currency named in the Dispute Board Agreement:

- (a) a retainer fee per calendar month, which shall be considered as payment in full for:
  - (i) being available on 28 days' notice for all site visits and hearings;
  - (ii) becoming and remaining conversant with all project developments and maintaining relevant files;
  - (iii) all office and overhead expenses including secretarial services, photocopying and office supplies incurred in connection with his duties; and
  - (iv) all services performed hereunder except those referred to in subparagraphs (b) and (c) of this Clause.

The retainer fee shall be paid with effect from the last day of the calendar month in which the Dispute Board Agreement becomes effective; until the last day of the calendar month in which the Taking-Over Certificate is issued for the whole of the Facilities.

With effect from the first day of the calendar month following the month in which Taking-Over Certificate is issued for the whole of the Facilities, the retainer fee shall be reduced by one third. This reduced fee shall be paid until the first day of the calendar month in which the Member resigns or the Dispute Board Agreement is otherwise terminated.

- (b) a daily fee which shall be considered as payment in full for:
  - (i) each day or part of a day up to a maximum of two days' travel time in each direction for the journey between the Member's home and the site, or another location of a meeting with the Other Members (if any);
  - (ii) each working day on site visits, hearings or preparing decisions; and
  - (iii) each day spent reading submissions in preparation for a hearing.
- (c) all reasonable expenses including necessary travel expenses (air fare in less than first class, hotel and subsistence and other direct travel expenses) incurred in connection with the Member's duties, as well as the cost of telephone calls, courier charges, faxes and telexes: a receipt shall be required

for each item in excess of five percent of the daily fee referred to in subparagraph (b) of this Clause;

- (d) any taxes properly levied in the Country on payments made to the Member (unless a national or permanent resident of the Country) under this Clause 6.

The retainer and daily fees shall be as specified in the Dispute Board Agreement. Unless it specifies otherwise, these fees shall remain fixed for the first 24 calendar months, and shall thereafter be adjusted by agreement between the Employer, the Contractor and the Member, at each anniversary of the date on which the Dispute Board Agreement became effective.

If the Parties fail to agree on the retainer fee or the daily fee the appointing entity or official named in the PCC shall determine the amount of the fees to be used.

The Member shall submit invoices for payment of the monthly retainer and air fares quarterly in advance. Invoices for other expenses and for daily fees shall be submitted following the conclusion of a site visit or hearing. All invoices shall be accompanied by a brief description of activities performed during the relevant period and shall be addressed to the Contractor.

The Contractor shall pay each of the Member's invoices in full within 56 calendar days after receiving each invoice and shall apply to the Employer (in the Statements under the Contract) for reimbursement of one-half of the amounts of these invoices. The Employer shall then pay the Contractor in accordance with the Contract.

If the Contractor fails to pay to the Member the amount to which he/she is entitled under the Dispute Board Agreement, the Employer shall pay the amount due to the Member and any other amount which may be required to maintain the operation of the DB; and without prejudice to the Employer's rights or remedies. In addition to all other rights arising from this default, the Employer shall be entitled to reimbursement of all sums paid in excess of one-half of these payments, plus all costs of recovering these sums and financing charges calculated at the rate specified in accordance with GCC Sub-Clause 12.3.

If the Member does not receive payment of the amount due within 70 days after submitting a valid invoice, the Member may (i) suspend his/her services (without notice) until the payment is received, and/or (ii) resign his/her appointment by giving notice under Clause 7.

## 7. Termination

At any time: (i) the Employer and the Contractor may jointly terminate the Dispute Board Agreement by giving 42 days' notice to the Member; or (ii) the Member may resign as provided for in Clause 2.

If the Member fails to comply with the Dispute Board Agreement, the Employer and the Contractor may, without prejudice to their other rights, terminate it by notice to the Member. The notice shall take effect when received by the Member.

If the Employer or the Contractor fails to comply with the Dispute Board Agreement, the Member may, without prejudice to his other rights, terminate it by notice to the Employer and the Contractor. The notice shall take effect when received by them both.

Any such notice, resignation and termination shall be final and binding on the Employer, the Contractor and the Member. However, a notice by the Employer or the Contractor, but not by both, shall be of no effect.

#### 8. Default of the Member

If the Member fails to comply with any of his obligations under Clause 4 concerning his impartiality or independence in relation to the Employer or the Contractor, he/she shall not be entitled to any fees or expenses hereunder and shall, without prejudice to their other rights, reimburse each of the Employer and the Contractor for any fees and expenses received by the Member and the Other Members (if any), for proceedings or decisions (if any) of the DB which are rendered void or ineffective by the said failure to comply.

#### 9. Disputes

Any dispute or claim arising out of or in connection with this Dispute Board Agreement, or the breach, termination or invalidity thereof, shall be finally settled by institutional arbitration. If no other arbitration institute is agreed, the arbitration shall be conducted under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with these Rules of Arbitration.

## **Appendix A**

### **DISPUTE BOARD GUIDELINES**

1. Unless otherwise agreed by the Employer and the Contractor, the DB shall visit the site at intervals of not more than 140 days, including times of critical construction events, at the request of either the Employer or the Contractor. Unless otherwise agreed by the Employer, the Contractor and the DB, the period between consecutive visits shall not be less than 70 days, except as required to convene a hearing as described below.
2. The timing of and agenda for each site visit shall be as agreed jointly by the DB, the Employer and the Contractor, or in the absence of agreement, shall be decided by the DB. The purpose of site visits is to enable the DB to become and remain acquainted with the progress of the execution of the Contract and of any actual or potential problems or claims, and, as far as reasonable, to prevent potential problems or claims from becoming disputes.
3. Site visits shall be attended by the Employer, the Contractor and the Project Manager and shall be coordinated by the Employer in co-operation with the Contractor. The Employer shall ensure the provision of appropriate conference facilities and secretarial and copying services. At the conclusion of each site visit and before leaving the site, the DB shall prepare a report on its activities during the visit and shall send copies to the Employer and the Contractor.
4. The Employer and the Contractor shall furnish to the DB one copy of all documents which the DB may request, including Contract documents, progress reports, variation instructions, certificates and other documents pertinent to the performance of the Contract. All communications between the DB and the Employer or the Contractor shall be copied to the other Party. If the DB comprises three persons, the Employer and the Contractor shall send copies of these requested documents and these communications to each of these persons.
5. If any dispute is referred to the DB in accordance with GCC Sub-Clause 46.3, the DB shall proceed in accordance with GCC Sub-Clause 46.3 and these Guidelines. Subject to the time allowed to give notice of a decision and other relevant factors, the DB shall:
  - (a) act fairly and impartially as between the Employer and the Contractor, giving each of them a reasonable opportunity of putting his case and responding to the other's case, and
  - (b) adopt procedures suitable to the dispute, avoiding unnecessary delay or expense.
6. The DB may conduct a hearing on the dispute, in which event it will decide on the date and place for the hearing and may request that written documentation and arguments from the Employer and the Contractor be presented to it prior to or at the hearing.

7. Except as otherwise agreed in writing by the Employer and the Contractor, the DB shall have power to adopt an inquisitorial procedure, to refuse admission to hearings or audience at hearings to any persons other than representatives of the Employer, the Contractor and the Project Manager, and to proceed in the absence of any Party who the DB is satisfied received notice of the hearing; but shall have discretion to decide whether and to what extent this power may be exercised.

8. The Employer and the Contractor empower the DB, among other things, to:
- (a) establish the procedure to be applied in deciding a dispute,
  - (b) decide upon the DB's own jurisdiction, and as to the scope of any dispute referred to it,
  - (c) conduct any hearing as it thinks fit, not being bound by any rules or procedures other than those contained in the Contract and these Guidelines,
  - (d) take the initiative in ascertaining the facts and matters required for a decision,
  - (e) make use of its own specialist knowledge, if any,
  - (f) decide upon the payment of financing charges in accordance with the Contract,
  - (g) decide upon any provisional relief such as interim or conservatory measures,
  - (h) open up, review and revise any certificate, decision, determination, instruction, opinion or valuation of the Project Manager, relevant to the dispute, and
  - (i) appoint, should the DB so consider necessary and the Parties agree, a suitable expert/s (including legal and technical expert(s)) at the cost of the Parties to give advice on a specific matter/s relevant to the dispute.

9. The DB shall not express any opinions during any hearing concerning the merits of any arguments advanced by the Parties. Thereafter, the DB shall make and give its decision in accordance with GCC Sub-Clause 46.3, or as otherwise agreed by the Employer and the Contractor in writing. If the DB comprises three persons:

- (a) it shall convene in private after a hearing, in order to have discussions and prepare its decision;
- (b) it shall endeavor to reach a unanimous decision: if this proves impossible the applicable decision shall be made by a majority of the Members, who may require the minority Member to prepare a written report for submission to the Employer and the Contractor; and



- (c) if a Member fails to attend a meeting or hearing, or to fulfil any required function, the other two Members may nevertheless proceed to make a decision, unless:
  - (i) either the Employer or the Contractor does not agree that they do so, or
  - (ii) the absent Member is the chairman and he/she instructs the other Members to not make a decision.

## **APPENDIX B**

### **Fraud and Corruption**

*(Text in this Appendix shall not be modified)*

#### **1. Purpose**

1.1 The Bank's Anti-Corruption Guidelines and this annex apply with respect to procurement under Bank Investment Project Financing operations.

#### **2. Requirements**

2.3 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.4 To this end, the Bank:

- a. Defines, for the purposes of this provision, the terms set forth below as follows:
  - i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
  - ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
  - iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
  - iv. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
  - v. "obstructive practice" is:
    - (a) Deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
    - (b) Acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.
- b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly

- or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
  - d. Pursuant to the Bank's Anti-Corruption Guidelines and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>2</sup> (ii) to be a nominated<sup>3</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
  - e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect<sup>4</sup> all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

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<sup>2</sup> For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>3</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

<sup>4</sup> Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

## APPENDIX C

### Metrics for Progress Reports- Environmental and Social (ES)

**[Note to Employer: the following metrics is taken from large Work's Standard Procurement Documents (SPDs). This should be suitably amended to reflect the specifics of the Contract. The Employer shall ensure that the metrics provided are appropriate for Plant and impacts/key issues identified in the environmental and social assessment].**

*Metrics for regular reporting:*

- a. *environmental incidents or non-compliances with contract requirements, including contamination, pollution or damage to ground or water supplies;*
- b. *health and safety incidents, accidents, injuries that require treatment and all fatalities;*
- c. *interactions with regulators: identify agency, dates, subjects, outcomes (report the negative if none);*
- d. *status of all permits and agreements:*
  - (i) *work permits: number required, number received, actions taken for those not received;*
  - (ii) *status of permits and consents:*
    - *list areas/facilities with permits required (quarries, asphalt & batch plants), dates of application, dates issued (actions to follow up if not issued), dates submitted to resident engineer (or equivalent), status of area (waiting for permits, working, abandoned without reclamation, decommissioning plan being implemented, etc.);*
    - *list areas with landowner agreements required (borrow and spoil areas, camp sites), dates of agreements, dates submitted to resident engineer (or equivalent);*
    - *identify major activities undertaken in each area in the reporting period and highlights of environmental and social protection (land clearing, boundary marking, topsoil salvage, traffic management, decommissioning planning, decommissioning implementation);*
    - *for quarries: status of relocation and compensation (completed, or details of activities and current status in the reporting period).*
- e. *health and safety supervision:*

- (i) safety officer: number days worked, number of full inspections & partial inspections, reports to construction/project management;
  - (ii) number of workers, work hours, metric of PPE use (percentage of workers with full personal protection equipment (PPE), partial, etc.), worker violations observed (by type of violation, PPE or otherwise), warnings given, repeat warnings given, follow-up actions taken (if any);
- f. *worker accommodations:*
  - (i) number of expats housed in accommodations, number of locals;
  - (ii) date of last inspection, and highlights of inspection including status of accommodations' compliance with national and local law and good practice, including sanitation, space, etc.;
  - (iii) actions taken to recommend/require improved conditions, or to improve conditions.
- g. *Health services: provider of health services, information and/or training, location of clinic, number of non-safety disease or illness treatments and diagnoses (no names to be provided);*
- h. *gender (for expats and locals separately): number of female workers, percentage of workforce, gender issues raised and dealt with (cross-reference grievances or other sections as needed);*
- i. *training:*
  - (i) number of new workers, number receiving induction training, dates of induction training;
  - (ii) number and dates of toolbox talks, number of workers receiving Occupational Health and Safety (OHS), environmental and social training;
  - (iii) number and dates of communicable diseases (including STDs) sensitization and/or training, no. workers receiving training (in the reporting period and in the past); same questions for gender sensitization, flag person training.
  - (iv) number and date of SEA prevention and SH sensitization and/or training events, including number of workers receiving training on Code of Conduct for Contractor's and Subcontractor's Personnel (in the reporting period and in the past), etc.
- j. *environmental and social supervision:*
  - (i) environmentalist: days worked, areas inspected and numbers of inspections of each (road section, work camp, accommodations, quarries, borrow areas, spoil areas, swamps, forest crossings, etc.), highlights of activities/findings (including violations of environmental and/or social best practices, actions taken), reports to environmental and/or social specialist/construction/site management;

- (ii) sociologist: days worked, number of partial and full site inspections (by area: road section, work camp, accommodations, quarries, borrow areas, spoil areas, clinic, HIV/AIDS center, community centers, etc.), highlights of activities (including violations of environmental and/or social requirements observed, actions taken), reports to environmental and/or social specialist/construction/site management; and
  - (iii) community liaison person(s): days worked (hours community center open), number of people met, highlights of activities (issues raised, etc.), reports to environmental and/or social specialist /construction/site management.
- k. *Grievances: list new grievances (e.g. number of allegations of SEA and SH) received in the reporting period and number of unresolved past grievances by date received, complainant's age and sex, how received, to whom referred to for action, resolution and date (if completed), data resolution reported to complainant, any required follow-up (Cross-reference other sections as needed):*
  - (i) Worker grievances;
  - (ii) Community grievances
- l. *Traffic, road safety and vehicles/equipment:*
  - (i) traffic and road safety incidents and accidents involving project vehicles & equipment: provide date, location, damage, cause, follow-up;
  - (ii) traffic and road safety incidents and accidents involving non-project vehicles or property (also reported under immediate metrics): provide date, location, damage, cause, follow-up;
  - (iii) overall condition of vehicles/equipment (subjective judgment by environmentalist); non-routine repairs and maintenance needed to improve safety and/or environmental performance (to control smoke, etc.).
- m. *Environmental mitigations and issues (what has been done):*
  - (i) dust: number of working bowsers, number of waterings/day, number of complaints, warnings given by environmentalist, actions taken to resolve; highlights of quarry dust control (covers, sprays, operational status); % of rock/ spoil lorries with covers, actions taken for uncovered vehicles;
  - (ii) erosion control: controls implemented by location, status of water crossings, environmentalist inspections and results, actions taken to resolve issues, emergency repairs needed to control erosion/sedimentation;
  - (iii) quarries, borrow areas, spoil areas, asphalt plants, batch plants: identify major activities undertaken in the reporting period at each, and highlights of environmental and social protection: land clearing, boundary marking,

- topsoil salvage, traffic management, decommissioning planning, decommissioning implementation;
  - (iv) blasting: number of blasts (and locations), status of implementation of blasting plan (including notices, evacuations, etc.), incidents of off-site damage or complaints (cross-reference other sections as needed);
  - (v) spill clean-ups, if any: material spilled, location, amount, actions taken, material disposal (report all spills that result in water or soil contamination);
  - (vi) waste management: types and quantities generated and managed, including amount taken offsite (and by whom) or reused/recycled/disposed on-site;
  - (vii) details of tree plantings and other mitigations required undertaken in the reporting period;
  - (viii) details of water and swamp protection mitigations required undertaken in the reporting period.
- n. *compliance*:
- (i) compliance status for conditions of all relevant consents/permits, for the Work, including quarries, etc.): statement of compliance or listing of issues and actions taken (or to be taken) to reach compliance;
  - (ii) compliance status of C-ESMP/ESIP requirements: statement of compliance or listing of issues and actions taken (or to be taken) to reach compliance
  - (iii) compliance status of SEA and SH prevention and response action plan: statement of compliance or listing of issues and actions taken (or to be taken) to reach compliance
  - (iv) compliance status of Health and Safety Management Plan re: statement of compliance or listing of issues and actions taken (or to be taken) to reach compliance
  - (v) other unresolved issues from previous reporting periods related to environmental and social: continued violations, continued failure of equipment, continued lack of vehicle covers, spills not dealt with, continued compensation or blasting issues, etc. Cross-reference other sections as needed.

## Appendix D: Sexual Exploitation and Abuse (SEA) and/or Sexual Harassment (SH) Performance Declaration for Subcontractors

[The following table shall be filled in by each subcontractor proposed by the Contractor, that was not named in the Contract]

Subcontractor's Name: [insert full name]

Date: [insert day, month, year]

Contract reference [insert contract reference]

Page [insert page number] of [insert total number] pages

| <b>SEA and/or SH Declaration</b>   |
|--|
| We:<br><input type="checkbox"/> (a) have not been subject to disqualification by the Bank for non-compliance with SEA/ SH obligations.<br><input type="checkbox"/> (b) are subject to disqualification by the Bank for non-compliance with SEA/ SH obligations.<br><input type="checkbox"/> (c) had been subject to disqualification by the Bank for non-compliance with SEA/ SH obligations. An arbitral award on the disqualification case has been made in our favor. |
| <b>[If (c) above is applicable, attach evidence of an arbitral award reversing the findings on the issues underlying the disqualification.]</b>  |

Name of the Subcontractor \_\_\_\_\_

Name of the person duly authorized to sign on behalf of the Subcontractor \_\_\_\_\_

Title of the person signing on behalf of the Subcontractor \_\_\_\_\_

Signature of the person named above \_\_\_\_\_

Date signed \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Countersignature of authorized representative of the Contractor:

Signature: \_\_\_\_\_

Date signed \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

### DETAILS OF WORK & SERVICES FOR 7YEARS OPERATION AND & MAINTENANCE OF SPGP & PDN AND RELIABLE SUPPLY TO CONSUMERS

#### 1. PROJECT DESCRIPTION

##### 1.1 Solar Power Generation Plant



SPV Mini-Grid Lot No- \_\_\_\_\_ Mini grid No \_\_\_\_\_, -----kW (-----kWp DC ) Solar Power Generation Plant consists of Solar PV Modules, Inverters, Battery Energy Storage System(BESS), Transformers, Diesel Generator etc and Buildings other civil works as given in Schedule of Prices and briefly given in Annexure -1.

## **1.2 Power Distribution Network(PDN)**

1.2.1 11kV Power Distribution Network (**Mini Grid No \_\_\_\_\_**) shall mainly consists of 11 kV transmission lines, DO Switch, Earthing Switch, LA, All Aluminum Conductors, Conductors clamp & hard wares., Insulators string fittings, Concrete Poles, Danger plates, phase plates, circuit plates, number plates, anti-climbing devices and other safety requirements... etc. as given in Schedule of Prices 1, 2 & 4, Completion Certificate and briefly summarized in given in Annexure -1.

1.2.2 415 V Power Distribution Network shall mainly consists of 415 V, 3 phase transmission lines, 415V Circuit breaker/MCB, 415V Isolators, CT, PT, DO Switch, Earthing Switch, LA, All Aluminum Conductors, Conductors clamp & hard wares., Insulators string fittings Concrete Poles, Danger plates, phase plates, circuit plates, number plates, anti-climbing devices and other safety requirements etc as given in Schedule of Prices 1, 2 & 4, Completion Certificate and briefly summarized in given in Annexure-1.

1.2.3 240V Power Distribution Network shall mainly consists of 240 V, single phase transmission lines, 240V Circuit breaker/MCB, 240V Isolators, CT, PT, DO Switch, Earthing Switch, LA, All Aluminum Conductors, Conductors clamp & hard wares. Insulators string fittings, Concrete Poles, Danger plates, phase plates, circuit plates, number plates, anti-climbing devices and other safety requirements etc as given in Schedule of Prices 1, 2 & 4, Completion Certificate and briefly summarized in given in Annexure -1.

## **1.3 Operation and Maintenance Period**

Operation and Maintenance Period of the Solar Photovoltaic Power Generation Plant shall be for a period of 7 (seven) years and start from the date of commissioning of the SPGP.

## **2 Standards, Guide lines**

- 2.1 Details of Standards applicable for SPGP and PDN are as per clause no -3 of ERTS.
- 2.2 Distribution Standard & Guidelines Manual-Design Module shall be as per clause 7.5 of ERTS
- 2.3 For PDN O&M work Norms of KPLC shall be followed.

### **3. GENERAL WORKING CONCEPT OF MINI GRID**

- 3.1. During the daytime, the Solar Power Generation Plant should supply power directly to the Loads in online mode, along with charging of the BESS in continuous mode. On most non-cloudy days during the year (“regular day”), batteries should get fully charged during the day time. In evening or morning (Sun period) battery should support the SPGP to meet out the load, if required.
- 3.2. Estimated Energy Consumption Pattern:-
  - i) Estimated Energy consumption by consumers during 6PM to 7 AM: 70% of total estimated energy consumption during 24 hours.
  - ii) Estimated Energy consumption by consumers during 7 AM to 6 PM: 30% of total estimated energy consumption during 24 hours.
- 3.3. During 6PM to 7 AM, all loads will be powered from BESS and or DG as per requirement.
- 3.4. BESS should not go beyond a depth of discharge (considering expected load growth for next 5 years).
- 3.5. BESS would have 1 day autonomy for designed demand.
- 3.6. A good BESS Management System should be in place for managing the state of charge and state of health of each cluster of the BESS.
- 3.7. SPGP Mini Grid will work in un-electrified area where there will be no grid availability years together. But Grid will be expected later or sooner. It will be initially a Solar Plant with BESS and standby DG.
- 3.8. The system is capable in expansion (Solar and Storage) i.e. additional modular capacity can be added to the system as and when needed.
- 3.9. The system should explicitly allow, connect with and synchronize with the State Grid, as and when connected. When State Grid is available, the SPGP of AC capacity will be integrated with State Grid and BESS may not be used. DG will always be

- standby.
- 3.10.** All the solar equipment and BESS should be at minimum height of 1.0 M from Ground level so as to ensure safety from flooding. Foundations should be concrete or alternative such that they can withstand annual low-level flooding for the lifetime of the Mini-Grid.
- 3.11.** Metering by meters will be done for every connection of household/domestic/commercial/schools consumers. Where KPLC RFID Infrastructure already exists, three phase/ single phase meters to supply the power to consumers will be RFID ready otherwise meters will be to KPLC standards and norms.
- 3.12.** DG shall provide support to Solar plant and BESS to meet the consumer load requirements.

#### **4 OPERATION & MAINTENANCE OF SOLAR POWER GENERATION PLANT**

##### **4.1 Scope of O&M Work for SPGP**

Operation and Maintenance (O & M) of the Solar Power Generation Plant for 7 years as per clause 2.2 to 2.7, 4 and other applicable clauses of ERTS on Comprehensive basis shall be as under :-

- i) Day to day Operation activity of SPGP (Solar plant, BESS & DG)
- ii) Day to day, Periodical, monthly, half yearly, yearly Maintenance activity of SPGP (Solar plant , BESS & DG)
- iii) Up keeping of SPGP (Solar Plant, BESS and DG) etc.,
- iv) Attending day to day faults and its correction activities of SPGP.
- v) Deployment of operational, supervision maintenance staff and security staff.
- vi) Periodically cleaning & washing of modules with soft water and periodically replacement of consumables for water softener plant.
- vii) General Periodical Maintenance of Buildings, structures, jumpers, connections etc
- viii) Timely Arrangement & replacement of equipment,material, spares, consumables,

- ix) Arrangement of tools, tackles, testing equipments & instruments, manpower as per requirement,
- x) Charges payable to Government Agencies (viz fees for calibration of plant metering systems as per KPLC norms, fees to Govt. for Electrical Inspector visit during O&M period as per norms etc.),
- xi) Coordination with all Government Agencies, associated administrative work, insurance of their employees etc.
- xii) 24 hours Security of plant,
- xiii) Requisite Insurances as per relevant clauses of BID document
- xiv) Coordination with KPLC and REREC, maintaining records and submissions to all concerned authorities etc.
- xv) Cost of Diesel for DG for supply of energy as per requirement to maintain the regular Supply to consumers.
- xvi) All other work required to upkeep the SPGP and to maintain Regular supply to consumers.

Cost of all requisite equipment, material, parts, software, services, spares, batteries consumable spares, repairs work, replacement of transformer oil, and Paras i) to xvi) above is included in Recurrent Cost in schedule-5 .

4.2 The Contractor shall perform the Work and supply all required spare parts in a prudent and efficient manner and in accordance with-

- i) Manufacturers and systems designers' specifications, the Annual Operating Plan for the Plant and all operation and maintenance manuals,
- ii) All applicable laws in Kenya including environmental protection, pollution, sanitary, employment and safety laws, ("Government Rules").
- iii) Prudent Utility Practice.

#### 4.3 Prudent Utility Practice.

Contractor shall use all reasonable and practical efforts:

- i) To maximize plant capacity utilization
- ii) To minimize plant downtime
- iii) Optimize useful life of all the equipment(s) of the SPP.

#### **4.4 Diesel Generator**

The contractor will generate electricity from the -----DG as per requirement of KPLC.

The prices quoted as recurrent cost for O&M period in Schedule-2 includes.

- a) Compressive O & M of DG,
- b) Cost of diesel during its operation,
- c) Replacement of spares, consumables,
- d) Requisite tools, tackles, & instruments,
- e) Manpower,
- f) Charges payable to all government agencies on A/c of Diesel Generator,
- g) Security of plant,
- h) Maintaining records and submissions to all concerned authorities
- i) To maintain the DG in ready condition always.

#### **4.5 O&M Services of SPGP**

After Commissioning of SPGP the O&M activity for the solar power plant will start. The Contractor shall be responsible for the operation and maintenance of the plant and shall perform all necessary services including applicable services stated (in brief) as under:

- i) Provide all operations and maintenance services necessary and advisable to efficiently operate and maintain the plant, including all associated and appurtenant mechanical and electrical equipment keeping in view the objectives set-forth herein above.
- ii) Maintain at the Plant accurate and up-to-date operating logs, records and Monthly reports regarding the operation and maintenance of the Plant which shall include detail of power output, other operating data, repairs performed and status of equipment, all such records to be maintained for the complete O&M period. Upon expiry of term, the Contractor shall hand over such records to the Owner. However, owner shall have access to all such records at any time during O&M period.
- iii) Perform, update & implement equipment repair or replacement program

that meet the specifications of the equipment manufacturers and the recommendations of the manufacturers

- iv) Perform periodic preventive maintenance and overhauls required for the plant in accordance with the recommendations of equipment manufacturers
- v) Attend any break down in the Plant / Facility promptly.
- vi) Regular updating of all these activities (maintenance & attending to breakdowns) shall have to be submitted to Employer, under periodic reports.
- vii) Provide technical & engineering support for resolving operation and maintenance problems.
- viii) Perform the services required to procure / stock spare parts or equipment(s), required for operation, maintenance & overhauling works in accordance with the recommendations of original equipment manufacturer(s).
- ix) Operate and maintain the plant for fire protection and safety of the equipment.
- x) Maintain with the assistance of the Owner, records regarding the facility in accordance with generally acceptable accounting principles under the Laws.
- xi) Arrange for tools & tackles, machinery, consumables, manpower etc. required for maintenance, overhauling, testing during O&M period.

Cost of these items (including Cost of spares) shall be included in the quoted Recurrent Cost for O&M at Schedule 5.

#### **4.6 Activities For Successful Running of SPGP**

The contractor shall be responsible for all the required activities for the successful running, optimum energy generation & maintenance of the Solar Photovoltaic Power Generation Plant covering: -

- i) Deployment of engineering and supporting personnel and regulation of their Duties.
- ii) Deployment of security personnel and regulation of their duties.
- iii) Successful running of SPGP for optimum energy generation.
- iv) Operation and Maintenance including supply and installation of all necessary

replacement of equipment and materials.

- v) Monitoring controlling, troubleshooting maintaining of records, registers.
- vi) Supply of all spares, consumables and fixing / application, replacement of damaged modules, invertors/PCUs, LA and other equipment/material etc. required during O&M period.
- vii) Supply & use of consumables as per recommendations of the equipment manufacturers.
- viii) Conducting periodical checking, testing, overhauling and preventive action.
- ix) Daily general up-keeping including cleaning of all equipment, building, amenities, roads, SPGP land area etc.
- x) Submission of periodical reports to Employer on the energy generation & operating conditions of the SPGP.
- xi) Taking care of the full security aspects of the SPGP.
- xii) Insurance covering all risk (Fire & allied perils, earth quake, terrorists act, floods, storms and burglary.
- xiii) Arrangement & Maintaining Diesel for running the DG included in recurrent cost as per requirement and to meet the load demand of consumers.
- xiv) Monitoring for safety and environmental aspects in line with the Environmental and Social Impact Assessment License.

**4.7 Personnel for Each Site**

- i) The Contractor shall ensure he has adequately trained and experienced personnel’s for operating and maintaining the solar power plant.
- ii) The Contractor shall deploy the following personnel to meet all the requirements of the O&M activities of the plant in each lot. The Contractor shall ensure that such personnel are available for duty at all times during the O&M period:

| Item No. | Position/ specialization | Relevant academic qualifications | Number of Personnel per Lot | Minimum General work experience (years) | Minimum Specific work experience (years) |
|----------|--------------------------|----------------------------------|-----------------------------|---|--|
|----------|--------------------------|----------------------------------|-----------------------------|---|--|

*Section X - Contract Forms*

|    |  |   |   |   |   |
|----|--|---|---|---|---|
| 1. | O&M Project Manager  | Degree in Electrical or Mechanical Engineering or Renewable Engineering Professional Engineer (EBK) | 1 | 5 | 3 |
| 2. | O&M Engineer   | Degree in Electrical Engineering Graduate Engineer (EBK)  | 1 | 5 | 3 |
| 3. | Technician   | Diploma in Electrical Engineering Registered with relevant body                                     | 1 | 5 | 3 |
| 4. | Artisan/ Craftsmen   | Certificate in Electrical/Renewable Engineering   | 5 | 5 | 3 |
| 5. | Environmental, Social, Health and Safety (ESHS) Specialist | Environmental/Social/Health/Safety Degree or other relevant Degree                                  | 1 | 5 | 3 |

iii) Non-key Staff:

Cleaning Staff: - Contractor may keep Cleaning staff persons on contract to clean modules (on regular basis as needed), cleaning building, wash room and other equipment.

Security personnel – as may be required

iv) **NOTE:**

The outlined number of staff above are the minimum required to execute the O&M contract. It is therefore upon the bidder to judge and come up with the adequate number of any additional staff that may be required for effective implementation of the O&M Contract.

v) The Contractor shall ensure that the manpower for carrying out O&M of the Mini-Grids are adequately trained. The man power can also go for training along with KPLC staff at KPLC Training Centre time to time on permission from KPLC.

**i. Contractors Responsibility For Insurance**

Contractor shall provide or obtain and maintain in force throughout the period of O&M the following insurance coverage:

- i) Insurance to cover third party liability of appropriate value along with an



undertaking indemnifying Employer from any such claim.

- ii) Workmen compensation and / or group personal accidents Insurance policy covering all its employees including of the Contractor. Pilferage, theft, burglary also are also to be covered by the Contractor.
- iii) It would be the responsibility of the Contractor to operate and maintain the SPGP and all the associated equipments at his own cost for the quoted O&M period for which the Owner shall pay the agreed O&M Recurrent Cost only.
- iv) Any replacement / repair / modification of any item / equipment shall be carried out by the Contractor at his own cost for the quoted O&M period, so as to have minimum solar plant down time.
- v) The Owner shall not be responsible for any break down / failure of any equipment to any reason thereof.
- vi) The risks such as riot, civil commotion, war etc would be excluded from the Contractor's scope after commissioning of SPGP.

#### **4.9 Annual Recurrent Cost Of Operation And Maintenance**

The Employer entrust the total O&M activities of the SPGP (Solar Plant + BESS + DG) to the Contractor on turnkey basis for the 7 (seven) years O&M period as per Section IV, Schedule 5.

The Annual recurrent cost of Operation and Maintenance includes supply and installation of all necessary replacement equipment and materials, spares & consumable spares and all services detailed in this contract O&M. The Contractor shall be paid by the Employer Quarterly Annual Recurrent cost only as per Section IV, Schedule -5 of respective Mini Grid.

#### **4.10 O& M Monitoring Of SPGP For O&M Period**

Operation part consists of deputing requisite manpower necessary to operate the SPGP at the optimum capacity. Operation procedures such as preparation to start, routine operations with safety precautions, monitoring of SPGP etc. shall be carried out as per the manufacturer's instructions to have trouble free operation of the complete SPGP.

#### **4.11 Daily Work Of The Operators**

Daily work of operator in the SPGP involves cleaning of modules in phases, logging the voltage, current, power factor, power and energy output of the SPGP. The operator shall also note down failures, interruption in supply and tripping of different relays, reason for such tripping, duration of such interruption etc. The other task of the operators is to check BESS System, battery voltage, specific gravity and temperature etc. The operator shall record monthly energy output, down time, etc.

#### **4.12 Routine Maintenance Of SPGP For O&M Period**

- i) The contractor shall carry out the periodical plant maintenance as given in the manufacturer's service manual and perform at least minimum requirement.
- ii) Cleaning of modules on regular interval basis as required, Sweeping of Building, wash room and roads shall be carried out etc Daily basis.
- iii) Regular periodic checks of the modules, PCU's, BESS, transformer, DG...etc shall be carried out as a part of routine preventive maintenance.
- iv) In order to meet the maintenance requirements stock of consumables are to be maintained as well as various recommended spares by the manufacturer.
- v) Particular care shall be taken for outdoor equipment to prevent corrosion. Cleaning of the junction boxes, cable joints, insulators etc shall also be carried out regularly as needed.
- vi) Resistance of the earthing system as well as individual earthing is to be measured and recorded every 2 months. If the earth resistance is more than 3 ohm, suitable action is to be taken to bring down the same.
- vii) According to the recommendations, stock of special tools and tackles shall be maintained for Modules, PCU's and other major electrical equipment.
- viii) A maintenance record register is to be maintained by the contractor to record the regular maintenance work carried out as well as any breakdown maintenance along with the date of maintenance, reasons for the breakdowns, steps have taken to attend the breakdown, duration of the breakdown etc.

- ix) The Maintenance Schedules will be drawn such that some of the jobs other than breakdown, which may require comparatively long stoppage of the SPGP, shall be carried out preferably during the non Sun period.

#### **4.13 Preventive Maintenance Schedules**

- i) The Contractor will attend to any breakdown jobs immediately for repair/replacement /adjustments and complete at the earliest working round the clock. During breakdowns (not attributable to normal wear and tear) at O&M period, the Contractor shall immediately report the accidents, if any, to the KPLC showing the circumstances under which it happened and the extent of damage and or injury caused.
- ii) If negligence / mall operation of the contractor's operator results in failure of any equipment then such equipment should be repaired/replaced by contractor at free of cost.
- iii) If any job covered in O&M Scope are not carried out by the contractor during the O&M period, pro-rata deduction will be made based on the quantum of work from the O&M contract bills.

#### **4.14 Quality Spares & Consumables**

In order to ensure longevity & safety of the core equipment and optimum performance of the system the contractor shall use only genuine spares of high quality standards.

#### **4.15 Tools And Tackle**

The Contractor shall arrange for all the necessary tools and tackles for carrying out all the maintenance work covered under this contract.

#### **4.16 Metering System**

4.16.1 The Contractor shall maintain the Metering System (which shall include energy meter, current and potential transformers) equipment as per metering code and KPLC guidelines.

4.16.2 The energy meters and current and potential transformers shall be calibrated as per norms of KPLC & metering code so that all levels of energy produced & injected to the Grid by the SPGP or consumed from the Mini Grid by the SPGP shall be

measured accurately and this equipment has applicable accuracy class.

4.16.3 The Contractor shall be responsible for co-ordination and arranging team for monthly Joint Meter reading (JMR) as on 00 hours of first day of every month or at mutually agreed time interval as per KPLC Instruction.

4.16.4 The Contractor O&M team shall supply 4 original copies of JMRs to KPLC before 7<sup>th</sup> day of every month so that KPLC can take into account timely the energy generated and supplied every month.

4.16.5 Contractor shall adhere following:

- i) All Pts, CTs, meters and MCBs must meet KPLC standards and be approved by ERC and KEBS.
- ii) Metering by meters will be done for every connection of household/domestic/commercial/schools consumers. Where KPLC RFID Infrastructure already exists, three phase / single phase meters to supply the power to consumers will be RFID ready otherwise meters will be to KPLC standards and norms.
- iii) Before manufacturing, meters` serial numbers must be requested from KPLC.
- iv) The Class of accuracy of the meters shall be as per norms of KPLC
- v) All meters, CUIs and MCBs to be availed to KPLC for purposes of random sampling and testing.
- vi) On site, meter boxes must be sealable-KPLC standard.
- vii) Customers` contracting data and installation certificates to be availed to KPLC.
- viii) After meter installations, all meters and meter boxes must be sealed with serialized twist tights which conforms with KPLC standards.
- ix) All installed meters must be communicated to KPLC for purposes of validation with their installed locations/meter boxes coordinates.
- x) Meter installation technician to fill and submit IIR – Installation inspection report.

#### **4.17 Testing of Meters**

The KPLC shall have the right to carry out inspections of the Metering Systems from time to time to check their accuracy.

All testing and metering equipment shall conform to the relevant Standards/ Metering Code. On the event of finding / noticing any inaccuracy in the Metering System, the Contractor shall arrange for a joint inspection, testing by KPLC or any other authorized agency within 24 hours with intimation to the owner. It shall be followed up by its rectification / replacement as required. All the expenses incurred in this regard shall be in the operator's account.

#### **4.18 Sealing and Maintenance of Grid Connected Meters**

4.18.1 The Contractor shall ensure that the Grid Connected Metering System and Solar power recording meter, BESS Metering System & DG Metering System shall be sealed by KPLC authority in the presence of Contractor's In-charge of plant.

4.18.2 If the Metering System and / or any component thereof is found to be outside the acceptable limits of accuracy or otherwise not functioning properly it shall have to be intimated immediately to KPLC & repairing / re-calibration or replacement as necessitated shall be carried out by the Contractor on priority basis. All cost / expenses in this regard shall have to be borne by the Contractor.

4.18.3 Breaking of meter seals shall not be done except in case of any requirement by State power utility for testing / calibration. Even in such case the Contractor shall immediately inform the Employer of such requirement to enable Employer for deputing its representative. All testing / calibration of metering system shall be done by KPLC/State power utility officials only. O&M cost shall include such charges.

4.18.4 If the meters are found tampered during entire O&M period, the responsibility of any charges recoverable by KPLC on this account shall be borne by the Contractor carrying out O&M.

#### **4.19 Submission of Daily & Monthly Generation Data Statement**

A daily report comprising energy generation, Grid availability, breakdowns, generation hours, plant availability etc. shall be sent through e-mail and / or made

available by the Contractor to the Employer. Similarly, all the monthly, half-yearly & annual reports shall have to be submitted to the Employer.

**4.20 Handing Over of Plant After Expiry Of Term**

After the expiry of term & extension of term as the case may be, the contractor shall hand over the Solar power Generation Plant to the owner in excellent condition. The contractor shall demonstrate performance test of all the major & critical equipment to ensure Generation from the SPGP. While handing over the plant the contractor shall hand over all technical documents, literature, instruction manuals, lists of spare part & tools & tackles. Contractor shall also hand over all the relevant record / documents, spares and consumable required for two year's Operation & Maintenance.

On completion of O&M term the Contractor shall apply to the Engineer in-charge for the issue of Handing Over Certificate and the same shall be issued within 1 months of the Handing Over in all respects, after verifying from the documents & tests and satisfying himself that the Operation & Maintenance has been completed in accordance with details set out in the control documents & Prudent Utility Practices.

All the aforesaid safeguards / rights provided for Employer shall not prejudice its other rights / remedies elsewhere provided herein and / or under law.

**4.21 Defects / Non Achievement Plant Dependable Capacity After Handing Over**

In order that the Contractor could obtain a Handing Over certificate, he shall rectify any defect / non achievement of plant dependable capacity in accordance to the norms of manufacturer arising from the defective Operation & maintenance practices or non compliance of Prudent Utility Practices or that may have been noticed or developed during / after the plant has been taken over, the period allowed for carrying out such works shall be normally one month. If any defect could not be remedied or plant dependable achievement capacity in accordance to the norms of manufacturer could not be achieved within a reasonable time the Owner may proceed to do the work at Contractor risk and

expense and deduct from the final bill such amount as may be decided by the Owner.

All the aforesaid safeguards / rights provided for the Owner shall not prejudice its other rights / remedies elsewhere provided herein and / or under law.

#### **4.22 Final Payment**

Whenever, in the opinion of the Engineer-in-charge, the Contractor has completely performed the contract on his part, the Engineer in-charge shall so certify in writing to the Contractor.

Final payment to the Contractor shall be made after accounting for all the previous payments / advances / adjustments of dues, provided always that contractor furnishes a "NO Further Claim - No Dues Certificate". The release of final payments does not relieve the Contractor from his any other obligations as provided for in the contract.

#### **4.23 Failure to Comply With The Provisions Of The Contract**

4.23.1 If the Contractor refuses or fails to execute the work or any separate part thereof with such diligence as shall ensure its completion within the time specified in the contract or extension thereof or fails to perform any of his obligation under the Contract or in any manner commits a breach of any of the provisions of the contract, it shall be open to the Owner at its option by written notice to the Contractor to

- a) Determine the Contract: In which event the Contract shall stand terminated and shall cease to be in force and effect on and from the date appointed by the Owner on that behalf, whereupon the contractor shall stop forth with any of the contractor's work then in progress, except such work as the Owner may, in writing, requires to be done to safeguard any property or work, or installations from damage, and the owner, for its part, may take over the work remaining unfinished by the Contractor and complete the same through fresh contractor or by other means, at the risk and cost of the Contractor, and any of his sureties if any, shall be liable to the owner for any excess cost occasioned by such work having to be so taken over and

completed by the Owner over and above the cost at the rates specified in the schedule of quantities and rates.

- b) Without determining the Contract: To take over the work of the contractor or any part thereof and complete the same through a fresh contractor or by other means at the risk and cost of the Contractor. The contractor and any of his sureties are liable to the Owner for any excess cost over and above the cost at the rates specified in the schedule of quantities / rates, occasioned by such works having been taken over and completed by the Owner.
- c) In other cases, the decision of the Owner is binding on the contractor.

4.23.2 In such events of clause 4.22.1 (a) or (b) above

- a) The whole or part of the security deposit furnished by the Contractor is liable to be forfeited without prejudice to the right of the Owner to recover from the Contractor the excess cost referred to in the sub-clause aforesaid, the Owner shall also have the right of taking possession and utilizing in completing the works or any part thereof, such of materials, equipment and plants available at work site belonging to the contractor as may be necessary and the Contractor shall not be entitled for any compensation for use or damage to such materials, equipment and plant.
- (b) The amount that may have become due to the contractors on account of work already executed by him shall not be payable to him until after the expiry of six (6) calendar months reckoned from the date of termination of contract or from the taking over of the work or part thereof by the Owner as the case may be, during which period the responsibility for faulty materials or workmanship in respect of such work shall under the contract, rest exclusively with the Contractor. This amount shall be subject to deduction of any amounts due from the contractor to the Employer under the terms of the contract authorized or required to be reserved or retained by the Owner.

4.23.3 Before determining the contract as per clause 6.18.1 (a) or (b) provided in the



judgment of the Owner, the default or defaults committed by the contractors is / are curable and can be cured by the Contract if an opportunity given to him, then the Owner may issue notice in writing calling the Contractor to cure the default within such time specified in the notice.

4.23.4 The Owner shall also have the right to proceed or take action as per 4.23.1 (a) above, in the event that the Contractor becomes bankrupt, insolvent, compounds with his creditors, assigns the contract in favor of his Creditors or any other person or persons or being accompany or a corporation goes into liquidation, provided that in the said events it shall not be necessary for the Owner to give any prior notice to the Contractor.

4.23.5 Termination of the Contract as provided for in sub-Clause 4.23.1 (a) above shall not prejudice or affect their rights of the Owner which may have accrued up to the date of such termination.

## **5. OPERATION & MAINTENANCE OF PDN AND REGULAR SUPPLY TO CONSUMERS**

### **5.1 Scope of O&M Work for PDN and Regular Supply to Consumers**

Operation and Maintenance (O & M) of the Power Distribution Line and Service lines and regular supply to consumers for the period as per clause 2 & 7 and other applicable clauses of ERTS on turnkey basis but not limited to following :-

- i) To maintain regular 24 hours reliable supply to consumers as per KPLC norms.
- ii) Attending day to day faults, consumers complaints and its corrections activity in PDN and & Consumer Connections Service Lines, Meters as per KPLC Norms in order to maintain the regular supply to consumers.
- iii) Day to day Operation activity of 415 V, 240 V Distribution lines, service connections as per KPLC Norms,
- iv) Day to day, periodical, monthly, half yearly, yearly maintenance activity of PDN, Service connections as per KPLC Norms,
- v) Up keeping of complete PDN Viz a viz Solar Plant, BESS and DG etc,

- vi) Deployment of Operational, Supervision and Maintenance Staff (in line with KPLC).
- vii) General Periodical Maintenance including a) replacements of broken Poles, b) damaged disc/insulators & String hardwires, Structures c) broken Conductors, damaged cables, burnt Jumpers d) damaged joints, Connections of conductors and cables, Clamps & Earthings, fuses, MCBs, Switches and other line materials of PDN, e) damaged meters etc as per requirements.
- viii) Charges payable to Government Agencies (viz fees for calibration of plant metering systems as per KPLC norms, fees to Govt. for Electrical Inspector visit during O&M period as per norms etc.),
- ix) Coordination with all Government Agencies, associated administrative work, insurance of their employees etc.
- x) Requisite Insurances as per relevant clauses of Bid document.
- xi) Updating of KPLC FDB system to include any changes made by the contractor.
- xii) Co-ordination with KPLC Maintaining records and submissions to all concerned authorities etc.
- xiii) All other work required to upkeep the SPGP, PDN and to maintain Regular supply to consumers
- xiv) Ensure the Receipt of Payment of bills/Prepaid meters Payment to KPLC from Consumers & Disconnection/reconnection of Consumer Connection if Payment is not made.
- xv) Connecting new customers to the PDN as per agreed performance targets.

Cost of all requisite equipment, material, parts, services, spares, consumable spares, repairs work, and Para i) to xiv) above and as per clause 2 & 7 of ERTS is included in Recurrent Cost quoted here.

## **5.2 For Replacement of Equipment/ Material Technical Specification of Power Distribution Network**

Technical Specification of Equipment/ Material used in development of Power Distribution Network is detailed below is as per Norms of KPLC. Same specification shall be followed for equipment/material which will be used for replacement on account of defect or damage.

### **5.3 Maintenance of PDN**

KPLC has issued Construction Unit Manual which gives the details of construction of various items of PDN. Same is to be followed by the Contractor for any similar work is required to be done during maintenance/repair/replacement of PDN in 10-year term of O&M.

### **5.4 Reliable Supply Of Power To Consumers (During 7 years O&M Period)**

Contractor's responsibility is to maintain a) PDN system including the service connection up to 3 phase or single phase meters at compound of consumers and b) Reliable Supply of Power to consumers after their getting connections during the period of 7 years from date of commissioning of SPGP & PDN as detailed below:

- i) The Mini-Grid shall serve electricity to households for 24/7 Hours basis.
- ii) The Mini-Grid (s) shall serve electricity to households for mandatory 5 AM to 8 AM and 5 PM to 11 PM 8 (Eight) hours in a day. Except where approved by KPLC, Service Affecting Routine Maintenance should be avoided in mandatory hours”.
- iii) The Contractor shall serve electricity to commercial consumers for mandatory 9 AM to 8 PM (10 hours) of electricity supply daily. Except where approved by KPLC, Service Affecting Routine Maintenance should be avoided in mandatory hours”.
- iv) Contractor shall conduct emergency repair even in Mandatory hours to maintain the supply.
- v) The contractor shall ensure supply to lighting loads for schools in the site as per their requirement.
- vi) Day to day maintenance LT and MV line of PDN and removal of operational

difficulty in supply of power to consumers and replacement of faulty material, equipment of PDM (within Maintenance charges to be paid to operator).

- vii) Spares and consumables/replacement during 7 years of O&M period shall be to Contractors account as per Norms followed in KPLC to maintain 24/7 hours supply requirement of consumers. One year spares of PDN should be readily available with Contractor. Stock position of spares / consumable spares shall be reviewed and recouped every quarterly basis so that requisite stock is always available and consumer does not get suffered.
- viii) The remaining electricity, after supplying electricity to all willing houses and households, streetlights, schools, and commercial loads can be supplied to willing consumers as per their demand in the area;

#### **5.5 O&M OF PDN, SERVICE LINES AND CONSUMER CONNECTIONS**

- i) Operation and Maintenance (O&M) Period
- ii) The time period for O&M shall be seven (seven) years from the Date of Commissioning of the PDN and SPGP.

#### **5.6 O&M of PDN, Service Lines And Consumer Connections As Per Norms Of KPLC**

The Employer entrust the total O&M activities of the PDN, Service line consumer connections to the Contractor on turnkey basis for the 10(ten) years O&M period as per Section IV, Schedule 5. During the term of contract of O&M Period, the Contractor shall ensure the satisfactory operation of and readiness of the PDN, Service Lines and Consumers Connection, Distribution Transformers, cables and all other equipment and material of PDN and service lines,

The contractor shall be responsible for all the required activities for the successful running during 7 years O&M period, optimum energy transfer from SPGP & maintenance of the PDN covering:-

- i) Deployment of engineering and supporting personnel and regulation of their Duties.
- ii) Successful maintaining the supply to Consumers and optimum utilisation of energy generated from SPG.

- iii) Operation and Maintenance including supply and installation of all necessary replacement of equipment and materials.
- iv) Monitoring controlling, troubleshooting maintaining of records & registers.
- v) Supply and installation of all necessary replacement of following to ensure reliable and efficient supply to consumers.
- vi) All types of spares, consumables, equipment viz insulators, transformers, cables and conductors, jumpers, LA, isolator, CT, PTs, connectors, fitting accessories, poles, cable joints, lugs, clamps & other equipment and material etc.
- vii) Oil of transformer & CT etc.
- viii) Fuses, Switches, MCBs, service line cables, defective meters, material related to house hold connections up to Meter Box at consumers
- ix) Conducting periodical checking, testing, over hauling and preventive action.
- x) Daily general up keeping including of Distribution, maintaining of oil of transformer and checking of Neutral Earthing connection continuity and resistance measurement etc, checking cutting of trees to maintain proper clearance between phases and phase to earth.
- xi) Submission of periodical reports to Employer on the operating conditions of the Distribution lines.
- xii) Taking care of the Security aspects of the PDN and lodging of FIR etc in case of Theft /Sabotage etc.
- xiii) Insurance covering all risk (Fire & allied perils, earth quake, terrorists act, floods, storms and burglary.

#### **5.7 Man Power of O&M**

- i) Operation part consists of deputing requisite manpower necessary to maintain PDN Service lines, consumer connections and supply to consumers. Operation procedures such as to up keep the Line and connection to consumers with safety precautions, monitoring of PDN etc. shall be carried out as per the KPLC Norms /manufacturer's instructions (for transformer and other equipment) to have trouble free operation of the complete PDN system including service

lines.

- ii) The operator shall also note down failures, interruption in supply and tripping of different sections, reason for such tripping, duration of such interruption etc.

The operator shall record monthly energy output, down time, etc.

#### **5.8 Preventive Routine Maintenance Of PDN & Associated Service Lines And Consumer Connections**

- i) The contractor shall carry out the periodical maintenance of PDN and associated Service lines, Insulators, jumper connections, joints, fuses etc as given in the KPLC Manuals/ KPLC Norms /manufacturer's service manual and perform at least minimum requirement.
- ii) Regular periodic maintenance checkups of the transformers, LA, CT, Isolators, Breakers etc shall be carried out as a part of routine preventive maintenance as per respective equipment manufacturers service manuals.
- iii) In order to meet the maintenance requirements stock of consumables are to be maintained as well as various recommended spares by the manufacturer.
- iv) Particular care shall be taken for outdoor equipment to prevent corrosion. Cleaning of the junction boxes, cable joints, insulatorsetc, wherever required, shall be carried out at regular intervals as needed.
- v) Resistance of the earthing system as well as individual earthing is to be measured and recorded at least once in six months. If the earth resistance is more than norms, suitable action is to be taken to bring down the same.
- vi) According to the recommendations stock of special tools and tackles shall be maintained for cables, conductors other major electrical equipment.
- vii) A maintenance record register is to be maintained by the contractor to record the regular maintenance work carried out as well as any breakdown maintenance work carried out along with the date of maintenance, reasons for the breakdowns, steps have taken to attend the breakdown, duration of the breakdown etc.
- viii) The Maintenance Schedules will be drawn such that some of the jobs other than breakdown, which may require comparatively long stoppage of the PDN

Network, shall be carried out preferably during the non Sun period.

### **5.9 Man Power To Carry Out O&M Work**

The Contractor shall deploy enough manpower to carryout work

- i) As per KPLC Operation and Maintenance manuals/KPLC norms / manufacturer's service manual and
- ii) As specified in preventive maintenance schedules to be approved by Employer.
- iii) The contractor shall keep at least one skilled and experienced engineer for each Lot, at least one ITI electrician at each site to supervise and up keeping, O&M jobs for PDN Network.
- iv) The Contractor will attend to any breakdown jobs immediately for repair/replacement /adjustments and complete at the earliest working round the clock. During breakdowns (not attributable to normal wear and tear) at O&M period, the Contractor shall immediately report the accidents, if any, to the Employer showing the circumstances under which it happened and the extent of damage and or injury caused.
- v) If negligence / mall operation of the contractor's operator results in failure of any equipment then such equipment should be repaired/replaced by contractor at free of cost.
- vi) If any jobs covered in O&M Scope are not carried out by the contractor during the O&M period, pro-rata deduction will be made based on the quantum of work from the O&M contract bills.
- vii) Preventive and Routine Maintenance of all the components of the PDN of respective Mini-Grid(s) equipment shall be carried out by the Contractor as recommended by the manufacture/supplier of the component/sub system/KPLC norms but at least once in every three months.
- viii) Preventive Maintenance shall include checking of all electrical connections, upkeep of the lighting systems, distribution lines etc. wherever required or any other activity that may be required for proper functioning of the PDN and Associated Service Lines and Consumer Connections.

## **5.10 Breakdown/Corrective Maintenance Of PDN & Associated Service Lines And Consumer Connections**

- i) Whenever a complaint is lodged by the consumer(s) or from any of the consumer, the Contractor shall attend to the same within a reasonable period of time (within 2 days). In case of a material or major component needs to be rectified/ replaced, it shall be corrected or replaced by the Contractor within a period not exceeding 5 (Five) days from the date of complaint.
- ii) During the term of the Contract (7 years O&M Period), the Contractor shall also ensure that the following requirements are met for maintaining the regular supplies to consumers:
  - a) Ensure electricity supply as per KPLC Norms.
  - b) Complaints to be attended timely.
  - c) Maintain spares to cater replacement within 5-10 days of complaint and
  - d) Scheduled outages to be conveyed 24 hours in advance to the Mini-Grid(s) beneficiaries.

## **6. REPLACEMENT SPARES, MATERIAL COST DURING O&M PERIOD**

The Annual Recurrent fees payable during 7 years of O&M period includes supply and installation of all necessary replacement equipment and materials, spares & consumable spares and all services detailed foregoing clauses of ERTS. All preventive/routine maintenance and breakdown/corrective maintenance required for ensuring maximum uptime of the PDN and all associated service line and Consumer connections of Mini-Grid shall have to be performed by the Contractor without any cost liability to be incurred by the Employer except that of annual fee . Employer will pay Annual fee only as per the respective schedule in Section IV.

## **7. LEGAL OBLIGATIONS OF CONTRACTOR**

### **7.1 Priority of Orders**

- i) The Contractor shall be responsible for implementation of the Mini-Grid



throughout the Term of the Contract (7 year of O&M Period), subject to the provisions of the Contract, in accordance with the following. It should be clearly understood that in the event of inconsistency between two or more of the following, the order of priority as between them shall be the order in which they are placed, with 'applicable Law' being the first:

- a) Applicable Law.
  - b) The Terms and Conditions of this Contract.
  - c) Technical specifications and
  - d) Any Approvals and Permits.
- ii) The Contractor shall ensure that it has adequately trained manpower for carrying out O&M of the Mini-Grids. The man power can also go for training along with KPLC staff at KPLC Training Centre time to time on permission from KPLC.
  - iii) The records maintained during the O&M period shall be available from time to time to Employer.

## **7.2 Safety And Applicable Laws**

- i) The safety of the Contractor's staff is the responsibility of the Contractor itself. The electricity shock can take the life instantly so proper safety equipment Viz safety helmet, shoes, gumboots, dust respirator, hand gloves etc must be provided to the O&M team. The scope of supply includes 12 sets of all such safety items at each site.
- ii) During O&M Period such safety items are damaged due to wear and tear then Contractor shall recoup at his own cost all safety equipment such as safety helmet, shoes, gumboots, dust respirator, hand gloves etc. as per the requirement of the Mini-Grid. The site engineer of the Contractor shall take adequate steps to ensure the proper use of the safety equipment by Contractor's staff at all times. All responsibility of any electrocution /accident and any damage to his staff/official/sub contractor staff/staff on contract etc due to any reason shall be responsibility of Contractor.
- iii) All works shall be executed in accordance with the requirement of the

- 1) Factories Act and rules, Electricity Act and other applicable act and rules or codes as clause (i) and (ii) above.
- 2) Laws and by-laws framed by the County or the Government of the Republic of Kenya.

### **7.3 Statutory Acts**

- i) All legal formalities/clearances are to be obtained prior to commencement of work by the Contractor regarding the execution of the Mini-Grid.
- ii) The Contractor shall comply with the all the Acts, rules and regulations, laws and by-laws framed by the County or the Government of the Republic of Kenya. The Employer shall have no liabilities in this regard.
- iii) The Contractor shall comply with the provision of all relevant acts of Central or Concerned County /State Governments including payment of Wages Act, Minimum Wages Act, Employer's Liability Act, Workmen's Compensation Act, Industrial Dispute Act, Maturity Benefit Act, Employees State Insurance Act, Contract Labor (Regulations & Abolishment) Act, Electricity Act, Grid Code, Metering Code, or any modification thereof or any other law relating whereto and rules made there under from time to time.
- iv) The contractor shall at his own expense provide all amenities to his workmen as per applicable laws and rules.
- v) The Contractor shall ensure that all safety measures are taken to avoid any accident during O&M work to his or his sub-contractor workmen.

## **8. GRIEVANCE REDRESSAL DURING O&M PERIOD**

### **8.1. Complaints Register During O&M Period**

- i) **The Contractor shall maintain a public relations office at its Site office and easily accessible to the users/beneficiaries of the Mini-Grid(s), where it shall keep a register (the “Complaint Register”) open to public access at all times for recording of complaints by any person (the “Complainant”). Information relating to the availability of and access to the Complaint Register shall be prominently displayed by the Contractor at appropriate places so as to bring it to the attention of all users/beneficiaries of the Mini-Grid(s).**
  - ii) **The Complaint Register shall be securely bound and each page thereof shall be duly numbered. It shall have appropriate columns including the complaint number, date, name and address of the Complainant, substance of the complaint and the action taken by the Contractor. Immediately after a complaint is registered, the Contractor shall give a receipt to the Complainant stating the date and complaint number.**
- 8.2. Redressal Of Complaints During O&M Period**
- i) The Contractor shall inspect the Complaint Register every day and take prompt and reasonable action for Redressal of each complaint. The action taken shall be briefly noted in the Complaint Register.
  - ii) Within 7 (seven) days of the close of each month, the Contractor shall send to the Employer a copy of each of the pages of the Complaint Register on which any entry has been recorded during the course of such month, and upon perusal thereof, the Employer may, in its discretion, advise the Contractor to take such further action as the Employer may deem appropriate for a fair and just Redressal of any grievance.
  - iii) The Contractor shall consider such advice and inform the Employer of its decision thereon, and if the Employer is of the opinion that the Complainant is entitled to further relief, it may refer the matter to the competent forum for its disposal under the Consumer Protection Act, 1986, and advise the Complainant to pursue the complaint at his own risk and cost.
- 9. COLLECTION OF REVENUE AND APPLICABLE TARIFF TO CONSUMERS**

**9.1. Contractor shall ensure**

- i) Collection of Connection charges from Consumers and
- ii) Revenue collection from consumers on behalf of KPLC for energy consumed by them
- iii) Disconnection if consumers fail to pay bill for energy supplied
- iv) Reconnection on payment of due charges of energy bill
- v) Deposit to collected charges to Govt. /KPLC Account as per KPLC Norms.

**9.2. Applicable Tariff to Energy Supplied**

Collection of Revenue at applicable tariff from consumers as decided by Commission time to time on behalf of KPLC shall be the responsibility of the Contractor.

**9.3. Role of KPLC as Employer**

For Design, Supply, installation and commissioning of Mini Grid i.e. SPGP and PDN, REREC is the Employer and all payments will be paid by REREC. During O & M Period (7 years), KPLC will act as Employer of SPGP and PDN including maintaining of supply to Consumers. KPLC as employer will pay Recurrent Annual fee to the contractor for O&M works as per Prices Schedules for O&M period of 7 years.

**9.4. Billing Of Consumers**

- i) All customers connected from the Mini Grids will be KPLC customers. KPLC will charge a uniform tariff from these customers/consumers as per ERPA orders.
- ii) The customers shall be billed on KPLC systems and payments shall be made to KPLC accounts during 7 years of O&M contract period.

**9.5 Recording Of Energy Exported From SPGP**

The energy supplied by SPGP shall be recorded by Joint Member Reading Team (In charge of O&M team at plant site of Contractor, One officer of KPLC every month at Metering Set located at plant termination DP and at DG metering Point.

**9.6 Connection Charges To Consumers**

Power Distribution Network includes the service cables and prepaid meters.

KPLC will charge the consumers US\$10 or equivalent KES only for providing Electricity Connection from Mini Grid. This is as per Project Appraisal Document (PAD). The Electrical connection will be provided to consumer by the Contractor immediately after deposits the US \$10 or equivalent KES to KPLC by consumer.

**10. SPGP PERFORMANCE AFTER COMMISSIONING**

**10.1. Demonstration of Performance Guarantee of SPGP**

- i) The Contractor ensures the Performance Guarantee of the installed equipment shall meet the ratings and performance requirements stipulated for various equipment covered in the ERTS/ Contract.
- ii) The contractor shall demonstrate and achieve guaranteed values during the performance guarantee test period (one year) from date of commissioning, as per details given below, at site in the presence of the Employer for the complete system.
- iii) The Contractor shall supervise and direct the operation during performance guarantee test and shall take complete responsibility in this regard. During performance guarantee test, the Contractor shall make available necessary experienced operating & maintenance personnel.
- iv) The Contractor shall provide and install all measuring instruments with required calibration for checking the guaranteed generation during performance guarantee test.

**10.2. Performance Measurement Procedure For SPGP**

- i) The Performance guarantee test of SPGP aims at the comparison of the actual PV plant energy production with the guaranteed value for a limited operation time of the PV plant of 30 consecutive days.
- ii) After one-year correct operation of the plant and after receiving all the satisfactory results for one year there will be continuous monitoring of the performance for 30 days. This monitoring will be performed on the site under the supervision of the Employer / Employer's engineer.
- iii) The final tests to prove the guaranteed performance parameters shall be

conducted at site by the Contractor in presence of the Employer or his representative. The Performance Guarantee Tests (PG tests) shall be commenced immediately after Date of commissioning of plant. These tests shall be binding on both the parties to the contract to determine compliance of the equipment with the guaranteed performance parameters.

- iv) The test will consist of guaranteeing the correct operation of each plant individually over 30 days, by the way of the efficiency rate (performance ratio) based on the reading of the energy produced and measured at Solar Meter and the average incident solar radiation.
- v) The Efficiency or performance ratio (PR) of the PV Plant is calculated as follows (according to IEC 61724)

$$\text{Performance Ratio (PR)} = Y_A/Y_R [1 - \alpha * (T_{\text{Cell avg}} - T_{\text{Cell}})]$$

Where

Y<sub>A</sub> = Final PV system yield (representing the number of hours that the system would need to operate at its rated output power P<sub>Nom</sub> to contribute the same energy to the grid as was monitored)

Or 
$$Y_A = E_{ac}/P_{Nom}$$

Y<sub>R</sub> = Reference yield (representing the number of hours during which the solar radiation would need to be at STC irradiance levels in order to contribute the same incident energy as was monitored)

Or 
$$Y_R = I_{R \text{ Site}}/I_{R \text{ STC}}$$

E<sub>ac</sub> = AC energy injected into the grid during a clearly specified amount of time (kWh)

P<sub>Nom</sub> = Installed nominal peak power of modules (Flash test rating at STC)  
(kWp)

I<sub>R Site</sub> = Irradiation on the module plane of array during a clearly specified amount of time (measured with a pyranometer installed on the array plane) (kWh/sq. m)

I<sub>R STC</sub> = Irradiance at STC (kW/ sq. m)

$T_{cellavg}$  = Average cell/ module temperature (oC)

$T_{cell}$  = STC cell/ module temperature (oC)

$\alpha$  = temperature coefficient of power (negative in sign) corresponds to the installed module (%/oC)

### 10.3. Plant Performance & CUF

- i) The plant performance will be evaluated through Performance ratio test as per IEC 61724 and Capacity Utilization Factor calculation as per the formulas and procedures mentioned in Clause 10.2 above.
- ii) The minimum acceptable PR of the plant is 0.78.
- iii) As the PR of the Plant is dependent on the quality of plant equipment and optimum design of the plant, the Contractor shall demonstrate the PR of 0.78 as per the procedure mentioned in Clause 10.2 above for Operational Acceptance of the plant.

### 10.4. Monitoring System for PR Verification

The following instrumentation will be used to determine the SPGP Performance.

These equipments shall be provided by Contractor during PR verification test

- i) Solar Meter at the delivery point of ACDB.
- ii) Power Meter for each inverter for reference only.
- iii) One nos. calibrated pyranometer to determine irradiance on the plane of array (with a target measurement uncertainty of  $\pm 2$ ).
- iv) One nos. calibrated Pyranometer to determine irradiance on horizontal plane (with a target measurement uncertainty of  $\pm 2$ ).
- v) Two nos. thermocouples to measure module temperature with a measurement uncertainty of  $\pm 1$  °C.
- vi) Shielded ventilated thermocouple with a measurement accuracy of  $\pm 1$  °C.
- vii) An anemometer mounted on a 10m mast to measure wind speed (without additional shadowing on modules).

### 10.5. Liquidated Damages / Compensation for Low Performance Ratio

- i) During the O&M period of 7 years after the commissioning of the plant, the Contractor need to maintain minimum 95% uptime of the plant to achieve the proposed CUF at the end of each year. Any repair, replacement, overhauling of DC area of SPGP etc., are to be performed during night times so that no generation loss will be there in day time.
- ii) Remedial Measures to Demonstrate Performance Guarantee after completion of each year of O& M Period.

In case of Contractor could not demonstrate the Performance Acceptance Test, the Contractor will be allowed to relocate the solar modules and install at different places in the same land at their own cost ensuring guaranteed PR of plant. The entire cost dismantling and erection etc will be borne by the Contractor. To ensure PG of plant after first year from DoC of plant and every year thereafter, the Contractor will be allowed to erect additional number of solar modules without extra cost to employer.

- iii) Compensation for Shortfall in Performance during the Performance Acceptance of Plant.

During the Performance Acceptance of plant, any shortfall in the Performance Ratio (PR) as determined through the PR Test Procedure specified at clause no 10.2 above will attract imposition of liquidated damages. For every 0.01 shortfall in PR below 0.78 by the Contractor, a penalty of 1% of the Prices of Schedules 1, 2, 3, 4 & 5 for SPGP shall be levied and deducted from 5% balance amount.

#### **10.6 PDN & Customer Service Performance**

- i) The minimum performance ratio (i.e available healthy system for supply) of PDN should be 85% during year. In case of failure to adhere the same, than for every 1% shortfall a penalty of 10000KES/year shall be charged.
- ii) The break down/corrective maintenance of PDN system should be maintained as per clause 5.10.
- iii) If break down/corrective maintenance is not adhered as per clause 5.10 (i) then



delay of every day will be subjected to 10 KES/day/connection.

**11. INTERCONNECTION WITH STATE GRID**

Initially, the Mini-Grid shall work standalone in un-electrified areas and will not be interconnected with the Grid. However, few years later whenever State or National Grid is expanded in that area then these Mini-grids shall be allowed to interconnect with the Distribution Licensee's system following the technical standards for interconnection with the Grid.

**12. CUSTODIAN OF THE MINI-GRID**

The Contractor shall be the custodian of the Mini-Grid at all times during the term of this Contract (unless transferred whole or part of the Mini-Grid to the REA/Distribution Licensee /Any agency nominated by REA or Government of the Republic of Kenya) and shall be responsible for any theft, loss and damage of assets, etc. related to the Mini-Grid. All the recoveries pertaining to any loss of asset due to above reasons shall be on account of Contractor only.

**13. GROUND WATER USES /RIGHT OF WAY**

The contractor shall be responsible for provisions for Ground water usage/availability of water/drainage/Right of Way and other approvals. In case of difficulty, the KPLC will provide recommendation letter to other Govt. departments on request of contractor.

**14. STREET LIGHTS**

During tenure of O&M, the Contractor shall allow the installation of street lighting by the KPLC / Local authorities or their representative on PDN in the areas where house-hold connections have been made. In that case contractor will also collect revenue on account of consumption of energy etc as per norms of from local authorities/agency and deposit the same to KPLC account.

**14. ENVIRONMENTAL AND SOCIAL SAFEGUARDS**

**14.1** The Contractor shall be responsible for adherence to the Environmental and Social Safeguards as provisioned in Kenyan Law.

**14.2** In addition to providing the electricity generation, connection and supply, the

Contractor shall at all times are required to adhere to the Environmental and Social Management Framework.

### **14.3 To Be Avoided By the Contractor during O&M of Mini Grids**

The Contractor shall ensure that the following are avoided while operations and maintenance of the Mini-Grid.

- i) Clearing of natural forest or using its resources,
- ii) Any type of land acquisition resulting involuntary resettlements,
- iii) Any type of land encroachments (informal settlers, non-titled entities),
- iv) Lack of provision for advance notice and lack of due crop compensation for owners and stakeholders while maintenance of lines.
- v) Adverse impact to any indigenous people (if any) in the Mini-Grid area,
- vi) Non conformity of the local laws,
- vii) Non-compliance of **Kenya Bureau of Standards (KEBS)**,
- viii) Blockage of drainage and consequent flooding or erosion due to cross drainage structures such as new roads or water access,
- ix) Lack of internal drainage system for the rain fall run off,
- x) Non-involvement of local labor.
- xi) Waste disposal or waste run off in the nearby fields,
- xii) Lack of water conservation plan,
- xiii) Lack of arrangements for safe handling and management of e-waste (CFLs, lead acid batteries, LEDs, solar panels),
- xiv) Non-compliance with Workers Right, Health and Safety of the Workers and community at large.

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**N. MINI GRID DESCRIPTION**

**Note:- This list shall be submitted by Contractor before commissioning of SPGP and PDN and checked by Employer and to be made part of Contract agreement of O&M**

**A SPV Lot No \_\_\_\_ Mini-Grid No \_\_\_\_,-----kW (-----kWp DC ) Solar Plant Generation Plant consists of**

| Sr No | List of equipment Installed in SPGP   | Quantity | MAKE | Technical Details Enclosed | Test Reports Enclosed | Instruction Manuals |
|-------|---------------------------------------|----------|------|----------------------------|-----------------------|---------------------|
|       | Equipment                             |          |      |                            |                       |                     |
|       | Solar PV Modules                      |          |      | TD-1                       | TR-1                  | IM -1               |
|       | Inverters                             |          |      | TD-2                       | TR-2                  |                     |
|       | BESS                                  |          |      | TD-3                       | TR-3                  |                     |
|       | DG                                    |          |      |                            | TR-3                  |                     |
|       | Transformers                          |          |      |                            | TR-4                  |                     |
|       |                                       |          |      |                            |                       |                     |
|       |                                       |          |      |                            |                       |                     |
|       | <b>Buildings</b>                      |          |      |                            |                       |                     |
|       | Control Room                          |          |      |                            |                       |                     |
|       | BESS Room                             |          |      |                            |                       |                     |
|       | Any Other Building                    |          |      |                            |                       |                     |
|       | Gate                                  |          |      |                            |                       |                     |
|       | Boundary wall With Electrical Fencing |          |      |                            |                       |                     |
|       |                                       |          |      |                            |                       |                     |
|       |                                       |          |      |                            |                       |                     |

**B 11 kV Power Distribution Network (KPLC Norms)**

|  | List of equipment Installed | Quantity | MAKE | Technical Details Enclosed | Test Reports Enclosed | Instruction Manuals |
|--|-----------------------------|----------|------|----------------------------|-----------------------|---------------------|
|  | All Aluminum Conductor      |          |      | TD/PDN/11/                 | TR/11 /PDN/-1         | IM/11/PDN/1         |

Section X - Contract Forms

|  |                |  |  |              |             |             |
|--|----------------|--|--|--------------|-------------|-------------|
|  | Transformer    |  |  | TD/PDN//11/2 | TR/11/PDN/2 | IM/11/PDN/2 |
|  | Poles          |  |  | TD/PDN/11/3  | TR/11/PDN/3 |             |
|  | 11 kV CB       |  |  |              |             |             |
|  | 11kV Isolators |  |  |              |             |             |
|  | And so on      |  |  |              |             |             |
|  |                |  |  |              |             |             |

C Power Distribution Network (PDN) of 415V, (KPLC Norms)

| List of equipment Installed | Quantity | MAKE | Technical Details Enclosed | Test Reports Enclosed | Instruction Manuals |
|-----------------------------|----------|------|----------------------------|-----------------------|---------------------|
| All Aluminium Conductor     |          |      | TD/PDN/1                   | TR /PDN/-1            | IM/PDN/1            |
| Poles                       |          |      | TD/PDN/2                   | TR/PDN/2              | IM/PDN/2            |
| Brakers                     |          |      | TD/PDN/3                   | TR/PDN/3              |                     |
| Insulators                  |          |      |                            | TR/PDN /4             |                     |
| And so on                   |          |      |                            | TR/PDN/5              |                     |
|                             |          |      |                            |                       |                     |
|                             |          |      |                            |                       |                     |

D Power Distribution Network (PDN) of 240V (KPLC Norms)

| List of equipment Installed | Quantity | MAKE | Technical Details Enclosed | Test Reports Enclosed | Instruction Manuals |
|-----------------------------|----------|------|----------------------------|-----------------------|---------------------|
| All Aluminum Conductors     |          |      | TD/PDN/1                   | TR /PDN/-1            | IM/PDN/1            |
| Poles                       |          |      | TD/PDN/2                   | TR/PDN/2              | IM/PDN/2            |
| And so on                   |          |      | TD/PDN/3                   | TR/PDN/3              |                     |
|                             |          |      |                            | TR/PDN /4             |                     |
|                             |          |      |                            | TR/PDN/5              |                     |
|                             |          |      |                            |                       |                     |
|                             |          |      |                            |                       |                     |

## **Appendix 1. Terms and Procedures of Payment for O&M Contract**

In accordance with the provisions of GCC Clause 12 (Terms of Payment), the Employer shall pay the Contractor in the following manner and at the following times, on the basis of the Price Breakdown given in the section on Price Schedules. Payments will be made in the currencies quoted by the Bidder unless otherwise agreed between the Parties. Applications for payment in respect of part deliveries may be made by the Contractor as work proceeds.

### **Payment terms for O&M Contract**

Operation and Maintenance of Solar Power Plant and the Power Distribution Network including attending to Faults and Complains for 7 Years Operations and Maintenance (O&M) Services:

- (i) During first four years of the O&M period, 11.5 % of the contract price will be paid yearly for O&M cost.
- (ii) 18.0% of the contract price shall be paid annually during the year 5 to 7 for generation O&M against satisfactory performance report of the O&M services by the project manager. The O&M fees for SPGP, PDN and DG shall be paid after every 3 months (Quarterly). The Contractor shall bill the Employer their quoted annual charges quarterly, in arrears.

### **Interest on delayed payments**

In the event that the Employer fails to make any payment on its respective due date, the Employer shall pay to the Contractor interest on the amount of such delayed payment at the rate of:

The interest rate for foreign currency payments to be LIBOR (6 months average) and for local currency payments at the prevailing Central Bank of Kenya (CBK) rate.

### **PAYMENT PROCEDURES**

The procedures to be followed in applying for certification and making payments shall be as follows:

**The payments shall be made directly to the Contractor through Telegraphic Transfers or RTGS.**

In case of Contractor being a Joint Venture of two or more firms, the payment under the Contract shall be received by the Lead Partner on behalf of the Joint Venture, as per power conferred to it in the Power of Attorney. The payment under the Contract, however, can also be received by other Partner (s) based on authorization of the Lead Partner.

## Appendix 2: Performance Security Form– Bank Guarantee<sup>5</sup>

[Guarantor letterhead or SWIFT identifier code]

**Beneficiary:** [insert name and Address of Employer]

**Date:** \_ [Insert date of issue]

**PERFORMANCE GUARANTEE No.:** \_\_\_\_ [Insert guarantee reference number]

**Guarantor:** [Insert name and address of place of issue, unless indicated in the letterhead]

We have been informed that \_\_\_\_\_ (hereinafter called “the Applicant”) has entered into Contract No. \_\_\_\_\_ dated \_\_\_\_\_ with the Beneficiary, for the execution of \_\_\_\_\_ (hereinafter called “the Contract”).

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Applicant, we as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of \_\_\_\_\_ (\_\_\_\_)<sup>6</sup>, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of the Beneficiary’s complying demand supported by the Beneficiary’s statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Applicant is in breach of its obligation(s) under the Contract, without the Beneficiary needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall be reduced by half upon our receipt of:

- (a) a copy of the Operational Acceptance Certificate; or
- (b) a registered letter from the Applicant (i) attaching a copy of its notice requesting issuance of the Operational Acceptance Certificate and (ii) stating that the Project Manager has failed to issue such Certificate within the time required or provide in writing justifiable reasons why such Certificate has not been issued, so that Operational Acceptance is deemed to have occurred.

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<sup>5</sup> The Employer should insert either the Bank Guarantee or the Conditional Guarantee.

<sup>6</sup> The Guarantor shall insert an amount representing the percentage of the Contract Price specified in the Contract and denominated either in the currency(ies) of the Contract or a freely convertible currency acceptable to the Employer.

This guarantee shall expire no later than the earlier of:<sup>7</sup>

- (a) twelve months after our receipt of either (a) or (b) above; or
- (b) eighteen months after our receipt of:
  - (i) a copy of the Completion Certificate; or
  - (ii) a registered letter from the Applicant, attaching a copy of the notice to the Project Manager that the Facilities are ready for commissioning, and stating that fourteen days have elapsed from receipt of such notice (or seven days have elapsed if the notice was a repeated notice) and the Project Manager has failed to issue a Completion Certificate or inform the Applicant in writing of any defects or deficiencies; or
  - (iii) a registered letter from the Applicant stating that no Completion Certificate has been issued but the Employer is making use of the Facilities; or
- (c) the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.<sup>8</sup>

Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded.

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[signature(s)]

**Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.**

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<sup>7</sup> This text shall be revised as and where necessary to take into account (i) partial acceptance of the Facilities in accordance with Sub-Clause 25.4 of the GCC; and (ii) extension of the Performance Security when the Contractor is liable for an extended warranty obligation pursuant to Sub-Clause 27.10 of the GCC (although in this latter case the *Employer* might want to consider an extended warranty security in lieu of the extension of the Performance Security).

<sup>8</sup> Insert the date twenty-eight days after the expected expiration date of the Defect Liability Period. The Employer should note that in the event of an extension of the time for completion of the Contract, the Employer would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Employer's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

## Appendix 3: Advance Payment Security

### Demand Guarantee

[Guarantor letterhead or SWIFT identifier code]

**Beneficiary:** ..... Name and Address of Employer .....

**Date:**[Insert date of issue] .....

**Advance Payment Guarantee No.:**[Insert guarantee reference number]

**Guarantor:** [Insert name and address of place of issue, unless indicated in the letterhead]

.....

We have been informed that ..... (hereinafter called “the Applicant”) has entered into Contract No. .... dated .....with the Beneficiary, for the execution of, ..... (hereinafter called “the Contract”).

Furthermore, we understand that, according to the Conditions of the Contract, an advance payment in the sum ..... (..... ) is to be made against an advance payment guarantee.

At the request of the Applicant, we as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of . (..... )<sup>9</sup> upon receipt by us of the Beneficiary’s complying demand supported by the Beneficiary’s statement whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating either that the applicant:

- (a) has used the advance payment for purposes other than the costs of mobilization in respect of the Facilities; or
- (b) has failed to repay the advance payment in accordance with the Contract conditions, specifying the amount which the Applicant has failed to repay.

A demand under this guarantee may be presented as from the presentation to the Guarantor of a certificate from the Beneficiary’s bank stating that the advance payment referred to above has been credited to the Applicant on its account number \_\_\_\_\_ at \_\_\_\_\_..

<sup>9</sup> The Guarantor shall insert an amount representing the amount of the advance payment and denominated either in the currency(ies) of the advance payment as specified in the Contract, or in a freely convertible currency acceptable to the Employer.



The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Applicant as indicated in copies of interim statements or payment certificates which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of documentation indicating full repayment by the Applicant of the amount of the advance payment, or on the . . . day of . . . . .<sup>10</sup>, whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded.

\_\_\_\_\_ [signature(s)]

**Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.**

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<sup>10</sup>*Insert the expected expiration date of the Time for Completion. The Employer should note that in the event of an extension of the time for completion of the Contract, the Employer would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Beneficiary's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."*